

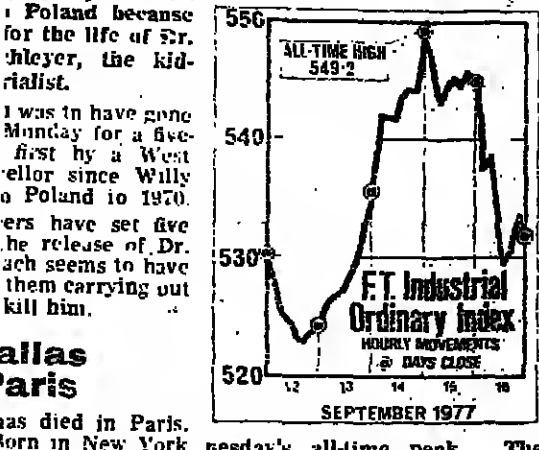
Travis Arnold
Building Materials, Heating and
Equipment for the Construction
Trades. Northampton 52333

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE F.3.0; GERMANY DM 2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Pes.40; SWEDEN Kr.3.25; SWITZERLAND F.3.0; ERE 12p

SUMMARY

BUSINESS
Equities
mid fall 13
as profits
are taken
off

● **EQUITIES** met end-Account profit-taking. The FT 30-share index fell 13.0 to 531.9 for a two-day loss of 17.3 from Wednesday's all-time peak.



● **GILTS** fluctuated in active trading. The Government Securities Index, up 0.02 at 75.70, has risen nearly 7 per cent. in two weeks.

● **GOLD** gained \$1 to \$148.1.

● **STERLING** lost 10 points to \$1.7428. Its trade-weighted index was unchanged at 62.4. The dollar's weighted average narrowed to 0.58 (0.61) per cent.

● **WALL STREET** closed 3.98 lower at 856.81.

Night shift strike threat

● **LEYLAND** workers producing the award-winning Rover 3500 have threatened strike action if the company goes ahead with plans to introduce a night shift on October 17. Page 13

● **FORD** has offered unions representing its 57,000 manual workers increases in earnings of 8.5 to 10.5 per cent. at the start of pay negotiations which will be viewed as an important pace-setter in the private sector. Back Page

● **SAAB-SCANIA**, the Swedish car, truck and aircraft manufacturer, is to close its Belgian car assembly plant and start talks on further production cuts at its Swedish factories. Back Page

● **MR. JACK JONES**, general secretary of the Transport and General Workers, has challenged the Conservative Party and the CBI on their attitude to trade unions and industrial relations law. Page 13

● **TUG-OF-WAR** over the construction of Texaco's Tartan Field platform for North Sea oil production could result in a row between the British and French Governments. Page 10

● **BRITISH STEEL** has started a works-level voluntary redundancy programme without formal national negotiations with the unions. Page 15

● **FOOTBALL POOLS** syndicates are not liable to capital transfer tax where winnings are shared out among members in accordance with the terms of a pre-existing agreement, said the Board of Inland Revenue.

● **CAPEL-CURE, MYERS**, the stockbroking firm, is losing its gilt-edged staff to its rivals Fielding, Newson-Smith. Back Page

● **TARMAC** faces losses of £12m. in Nigeria, mainly on government contracts for a teacher training college and an airfield. Back and Page 14; Lex

● **HAW PAR International**, the Singapore-based group, reports a half-year pre-tax profit of £272,000 after two consecutive years of losses. Page 17

● **PRICE CHANGES YESTERDAY**

Aluminium	566	-18	Iron	566	-18
Asbestos	648	-15	Lead	339	-15
Coal	339	-15	Nickel	494	-10
Copper	494	-10	Oil	323	-10
Gold	148	+1	Steel	284	-8
Grain	148	+1	Textiles	256	-12
Iron	323	-10	Wool	160	-4
Lead	339	-15	Wheat	328	-10
Nickel	494	-10	Wool	258	-7
Oil	323	-10	Wool	432	-12
Steel	284	-8	Wool	120	-13
Textiles	256	-12	Wool	482	-20
Wool	160	-4	Wool	178	-9
Wheat	328	-10	Wool	225	-6
Wool	432	-12	Wool	274	-10
Wool	120	-13	Wool	620	-10
Wool	482	-20	Wool	190	-7
Wool	178	-9	Wool	825	-50
Wool	225	-6	Wool	225	-6
Wool	274	-10	Wool	137	-14
Wool	620	-10	Wool	137	-14
Wool	190	-7	Wool	137	-14
Wool	825	-50	Wool	137	-14
Wool	225	-6	Wool	137	-14
Wool	137	-14	Wool	137	-14

Significant slowdown in retail price rises

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The rate of increase in retail prices has started to slow down significantly, and the 12-month rate should continue to decline at least until early next year. The Department of Employment said yesterday that the retail price index rose by 16.5 per cent. in the year to August, compared with an increase of 17.6 per cent. in the 12 months to July. This is the largest monthly improvement in the index since June last year.

Even more significant is the improvement in the underlying trend as measured by the index excluding seasonal foods over six months and expressed at an annual rate. This stood at a rate of 14.9 per cent. last month, compared with 15.9 per cent. in July and 20 per cent. in May.

The recent slowdown in the underlying rate reflects the combined impact of the end of a period of large price rises in the public sector with many nationalised industry charges effectively frozen until next spring, the strength of the pound, and the containment of labour costs under phase two of the pay policy.

A very favourable trend in seasonal food prices this summer—down by more than 18 per cent. since April—has helped to keep down the monthly rise in the all-time index to 1 per cent. or less in the last four months.

The all-time index rose by 0.5 per cent. to 184.7 (January, 1974=100) to the month to mid-August from 182.5 previously.

There are fewer large price increases in the pipeline than earlier in the year, and the main item in the composite month is an increase in school meal charges, equivalent to only 0.1 per cent. on the index.

The hope is that the monthly increase will be kept well below 1 per cent. Indeed it will have to be as low as this if the rise in the year to December is to be within the Government target of a rise of less than 13 per cent.

The index has risen by just under 10 per cent. so far this year, but officials are confident that the December target will be met. But what happens from early next spring onwards will depend in part on whether and how far

ground and items eliminated will have to be recovered as soon as possible. When the items were reinstated, they should not have to come for free in the relevant defence budget, thus perhaps causing other cancellations to make room for them, says Dr. Luns.

It was particularly disturbing that these "negative developments" coincided with "a sharpened awareness by the public of the unremitting effort made by the Warsaw Pact to improve its offensive posture and of the implications of this for our future security."

"It is, therefore, a cause for disappointment that the U.K. authorities felt obliged to take steps which will have a direct or indirect adverse impact on the U.K. front-line forces."

NATO, faced with an increasing threat, "cannot afford any lessening of its members' defence efforts, and that any further cuts by the U.K. would not be understood by its allies or as any measure of support on their part."

Continued on Back Page
Nato letter Page 10

Government rejects NATO criticism of its defence cuts

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE CUT OF £20m. in defence spending in 1978-79, announced in December will go ahead, in spite of severe criticism by NATO. It will follow the equipment programme and, to a lesser extent, on the works programme and support areas.

The disclosure is contained in the Government's response to the criticisms of continued cuts in U.K. defence spending in a letter to Mr. Fred Mulley, Secretary for Defence, from Dr. Joseph Luns, Secretary-General of NATO, on behalf of the Defence Planning Committee of the North Atlantic Council.

Dr. Luns says the latest cuts, together with earlier cuts, effectively amount to more than one-sixth of the U.K. defence spending as planned before the Defence Review 1974-75.

While NATO had shown a considerable measure of understanding for the U.K.'s problems, the latest cuts "cannot but be detrimental to the effectiveness of the U.K.'s forces, inasmuch as previous cuts practically exhausted the possibilities of finding savings in areas which could be considered as not directly related to NATO."

"In several fields, the lost

ground and items eliminated will have to be recovered as soon as possible. When the items were reinstated, they should not have to come for free in the relevant defence budget, thus perhaps causing other cancellations to make room for them, says Dr. Luns.

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Continued on Back Page
Nato letter Page 10

Aid for home buyers on way

BY MICHAEL CASSELL

A CUT in the mortgage rate for their behalf to follow this general trend is expected in political circles.

Figures released by the Building Societies Association yesterday confirmed the underlying strength of the societies' position.

Net receipts last month totalled £202m. and, although this represented a fall of £15m. from the previous month, it represents a good performance in a period when the emphasis is on consumer spending rather than saving.

In addition, societies advanced a record £690m., only the second time in their history that they have advanced more than £600m. in one month. They also approved the lending of a further £689m.—yet another record.

The association said that the record level of lending reflected the continuing heavy demand for

home loans. "However, the inflow of receipts is slightly below the level necessary for societies to meet demand without reducing their liquidity ratios."

But, in spite of the word of caution, societies expect September to show another improvement in the inflow of funds, and net receipts are likely to be between £350m. and £400m.

The main option is a 1 per cent. drop in the mortgage rate, bringing it down to 9 1/2 per cent.

If this happens, investors with building societies would probably receive 6 per cent. after tax on their savings. At present they receive 6.7 per cent.

If the other option, cutting the mortgage rate by three-quarters per cent. to 9 per cent. were adopted, investors would probably then receive about 6.2 per cent. net.

Such a rate would leave societies in line with their highest competitors. National Savings, for example, where rates on investment accounts are due to fall next month. The banks now offer only 3 per cent. gross on ordinary deposit accounts.

It seems, therefore, that there is ample room for a rate reduction by the societies, who are set to lend a record total of nearly £750. to home buyers this year compared with just over £60m. in 1976.

Many of the larger societies are anxious for an early change in rates, as their operating margins have been high throughout this year. The new composite rate of tax which they pay on behalf of their investors has also been settled at a lower-than-expected rate, leaving their margins looking extremely healthy.

Lending rate cut by 1/2%

BY MICHAEL BLANDEN

THE DOWNFALL in interest rates was a step further yesterday when the Bank of England reduced its minimum lending rate by another 1/2 per cent. to 6 per cent.

The Bank also took advantage of the strong demand for gilt-edged stocks in the past week to announce another £500m. issue of Government stock.

The stock is at the short end of the market and fully payable on application next Thursday instead of using the partly-paid formula adopted in most recent issues.

Its interest coupon of 8 1/2 per cent. is the lowest on a normal Government stock—apart from the special low-coupon issues designed to attract high taxpayers—since May 1973.

The fall in M.L.R. after last week's 1/2 per cent. reduction to 6 1/2 per cent. will bring reserves up to the level of the U.S. Federal Reserve's discount rate. Base rates have already been brought down by 1 per cent. to 7 per cent. at the beginning of this week, and bankers had been hoping to avoid a further drop.

The main concern over the conflict between maintaining the spread between lending and deposit rates, and the threat of losing more funds to the building societies if they reduce deposit rates even further in line with another base rate cut. The banks were therefore taking a cautious view of the outlook.

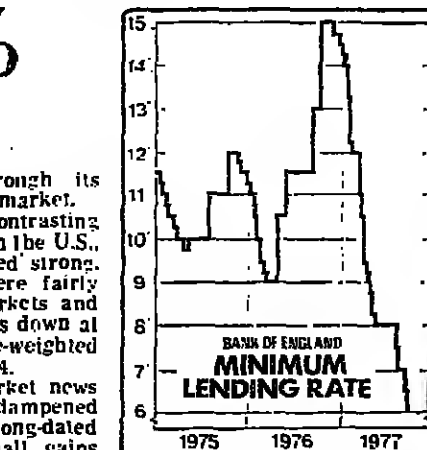
The Bank of England appeared content with the M.L.R. reduction, though earlier in the week it had attempted to slow down the

decline in rates through its signals to the money market. In spite of the contrasting upward trend in rates in the U.S., the pound has remained strong. Yesterday, dealings were fairly quiet in exchange markets and sterling closed 10 points down at \$1.7428 with its trade-weighted index unchanged at 62.4.

In the gilt-edged market news of the new stock issue dampened the shorter end, but long-dated stocks saw further small gains as Thursday's over-subscription for the £500m. long-dated issue.

This stock, Treasury 12 per cent., 1983, ended at a £3 premium in its £20 paid form at £33, having reached a £31 premium earlier.

The Financial Times Government securities index edged up



0.02 to 75.70, to show a rise of 2.55 points over the past week. The new stock issue is £500m. of 12 per cent. Treasury stock 1982. It is being issued at £38.25 per cent. to yield 8.40 per cent. flat and 8.72 per cent. to redemptors.

Du Pont considers plant closure

By Rhys David, Textiles Correspondent

DU PONT, the U.S.-based chemical group, is considering the closure of one of its two Orin acrylate plants in Europe because of continued heavy losses in fibre production. The plants are at Dordrecht in the Netherlands and at Maydown in Northern Ireland.

Representatives of the workforce in Holland were told this week that a study would probably be completed by mid-October.

A warning of the seriousness of the situation affecting acrylate—which is used mainly in knitwear—has been given to unions at the Northern Ireland plant near Londonderry.

Officials at the company's European headquarters in Geneva said yesterday no decision had been taken on which plant should close or whether an alternative strategy should be sought.

The Dutch plant is known to have been seriously affected by the weak fibre market in Europe and by imports because of its higher cost structure.

The Dutch company, which exports 80-90 per cent. of its output, has been unable to recover the higher costs of producing in the Netherlands, with its appreciating currency, in European markets where currencies have declined in value, such as the U.K. Losses incurred on acrylate have risen to £30m. (about £17m.) in the past three years, compared with total profits of \$14m. (£8m.) in the previous 14 years.

The Dutch plant has capacity of about 30,000 tonnes, against 50,000 tonnes in Northern Ireland, where a big expansion was completed two years ago. A total of 1,650 people are employed by Du Pont in the Netherlands. Fewer than 500 of them are directly concerned with the acrylate operations.

Du Pont's search for economies—the latest in a series of moves by all the big fibre groups in Europe aimed at eliminating the massive losses of recent years—shows that the company sees little hope of reaching balance in the near future.

Because of over-capacity prices have continued to be low. According to Du Pont, which like all the other fibre producers has made a number of attempts to secure higher returns, prices have fallen 3 per cent. since 1975 in spite of the substantial increases in costs.

Closure of a part of the Maydown site, where more than 1,800 people are employed making chemicals and elastomeric fibres as well as Orlon, would have even more serious effects on the economy of Northern Ireland, where unemployment is more than 10 per cent. with much higher levels around Londonderry.

Citibank speeds upward move by U.S. prime rate to 7 1/4%

BY STEWART FLEMING

CLEAR SIGNS that a 7 1/4 per cent. prime rate is beginning to spread among leading U.S. commercial banks came this morning with the announcement from Citibank, the nation's second largest bank, that it was raising its prime rate to this level.

Shortly afterwards, several other leading New York City banks including Manufacturers, Marine Midland and European American Bank, all announced similar increases.

As the day wore on the Citibank move was followed by a succession of banks across the country, including Bank of America, Chemical Bank and Continental Illinois.

The move was started on Tuesday, surprisingly, by Chase Man-

hattan Bank, which has not normally been a leader of prime rate changes.

Today's move by Citibank, which bases its prime rate changes on a formula linking its lending rate to its best customers with money market interest rates, is particularly significant.

Citibank frequently leads prime rate movements across the nation. Last week its formula gave it the option of moving up or on Friday morning and it kept the prime at 7 per cent.

Subsequently, however, short-term interest rates have moved upwards in response to what has been widely interpreted as a hint by the Federal Reserve Board to tighten monetary policy a notch.

The board's objective is to

NEW YORK, Sept. 16

slow growth of the money supply in the belief that this can contribute to damping down inflation.

For the banks, a key consideration in increasing their base lending charge will have been the rising cost of funds in the money market and their desire not to let this erode profitability.

5 in New York

	September 16	Previous
3 month	\$1.7428	\$1.7458
6 month	0.17	0.16
9 month	0.17	0.16
12 month	0.16	0.16

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The week in London and New York

Equities off the top after all-time high

ONLOOKER

In a week when there were some encouraging Government statistics but some rather disappointing company results...

The week started on a fairly quiet note with some small profit taking and what interest there was in the market mainly centred on gilts...

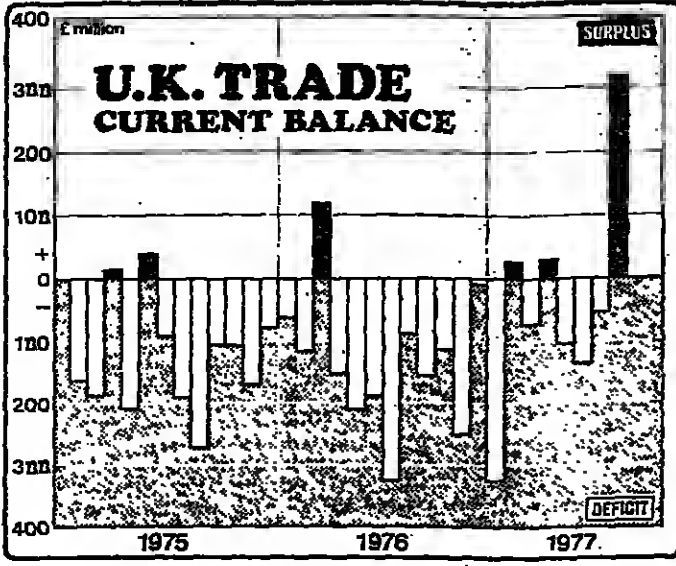
With the index under eight points from the all time high, it was generally felt that good Trade figures would push it through the peak but the actual breakthrough occurred at 1 p.m. following a rather nervous start to the day...

However, by the end of the week there was some fairly widespread profit taking with sentiment being hit by some worrying profit statements...

Sector trends

Two factors have determined the leading sectors in the latest bull phase. Most obvious is the continued fall in interest rates which has helped the hire purchase and property sectors...

The second factor is growing confidence in a recovery in con-



willings to opt out, and many groups are reporting a rise in the number of redemptions...

Foreign investors too are staying away, so this bull market appears to be in the hands of the institutions and the figures confirm that impression...

What with the strength of the stock markets and the recent sharp drop in interest rates, the growing number of companies recently reporting disappointing results comes as a nasty shock to those investors hithering to look at anything more than a company's share price.

Investment demand

A bull market it may be but it is a completely different animal to the market of May, 1972, when prices reached their previous peak...

Corporate profits

With the strength of the stock markets and the recent sharp drop in interest rates, the growing number of companies recently reporting disappointing results comes as a nasty shock to those investors hithering to look at anything more than a company's share price.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM AUGUST 18

Table with 3 columns: Sector, % Change, and Index. Includes Contracting & Construction (+21.3), Building Materials (+19.2), Insurance (Life) (+19.0), etc.

THE WORST PERFORMERS

Table with 3 columns: Sector, % Change, and Index. Includes Wines & Spirits (-7.0), Overseas Goods (-6.5), Overseas Traders (-5.2), etc.

Biding their time

BY STEWART FLEMING NEW YORK, Sept. 16

INVESTORS on Wall Street have been biding their time again this week. On Tuesday, the Jewish holiday, only 15m. shares were traded, the lowest volume since November 11 last year.

For stockbrokers who have pared their commissions under competitive pressure this level of business is not going to make them millionaires. But more important, perhaps, it is a good indication of the caution which investment institutions are displaying.

With fears about rising interest rates still dominating their thinking there are few on Wall Street ready to go out on a limb and predict that investors' psychology is about to change.

Mining

Overseas buyers contribute to a golden autumn

BY KENNETH MARSTON, MINING EDITOR

AS September ushered in a golden autumn for the market in South African gold shares...

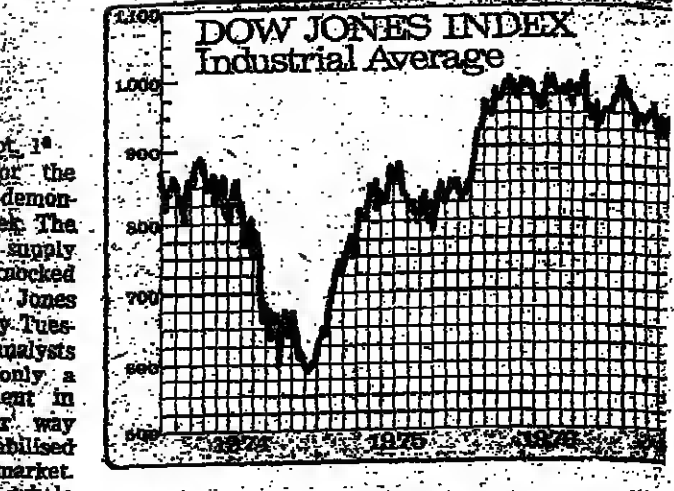
But what of the indelible political risks which surround investment in South Africa? They must not be dismissed, but all forms of investment carry varying degrees of risk.

Move outside the U.K. however, and you find a very different story. World commodity markets are either depressed or turning down while the various bourses tell a tale of uncertainty, particularly Wall Street which glances nervously at the state of the dollar.

It is generally reckoned that the price of the yellow metal has moved into a phase of stability. Its downside risk seems to be small and, as I pointed out last week, the market is comfortably absorbing the monthly international monetary fund gold auctions...

They did not enjoy the 1975 experience when the price soared to not far short of \$300, only to collapse under the frowns of the U.S. leaving behind a trail of inflated costs and a fall in demand from the important industrial market for the metal.

The fact is that the South African producers are making very good earnings at the current price levels now that the earlier labour shortage has



list of glamour stocks which would include shares such as Philip Morris, Coca Cola, Walt Disney Productions, Burroughs, Avon and Hewlett-Packard...

Among the chairman's statements this week, that of the West Driefontein has forecast higher gold and uranium earnings for the current year to next June and Kloof also expects to increase gold output.

Frisco fears

Now we move to American Mining. San Francisco reports sent back to the U.S. mining industry which has been helped by an anticipated sharp rise in capital expenditure while Doornfontein hopes to increase its dividend.

Venturesperts think that its reliance on State aid will now diminish, but it still expects to maintain its gold output in 1977-78 and is negotiating further uranium contracts.

Finally, a word of caution. The average gold price received by the mines in the June quarter was around \$142 unless anything dramatic occurs to gold in the next fortnight the working profits for the current quarter are not going to be exciting. Furthermore, a continued gradual increase in the price of the poorer-

MARKET RECOVERY SINCE LAST OCTOBER'S LOW U.K. INDICES

Large table with multiple columns: Index, % rise on Y/day, 1976-77 High, 1976-77 Low, and U.K. Indices (Average, Sept. 16, Sept. 9, Sept. 2).

TV Radio

Indicates programme in black and white. BBC 1: 8.55 a.m. 'God and the Park', 9.10 The Great Grape Ape Show...

HTV

9.55 a.m. A House for the Future, 9.25 News, 10.15 Britain, 10.45 The Day After Tomorrow...

SCOTTISH

9.00 a.m. House for the Future, 9.25 News, 10.15 Britain, 10.45 The Day After Tomorrow...

SOUTHERN

9.00 a.m. House for the Future, 9.25 News, 10.15 Britain, 10.45 The Day After Tomorrow...

TYNE TEES

9.00 a.m. House for the Future, 9.25 News, 10.15 Britain, 10.45 The Day After Tomorrow...

BORDER

9.05 a.m. Winding with Wilton, 9.30 News, 10.15 Britain, 10.45 The Day After Tomorrow...

CHANNEL

10.05 a.m. Sunday Birthdays Greetings, 10.30 News, 10.45 The Day After Tomorrow...

GRANPIAN

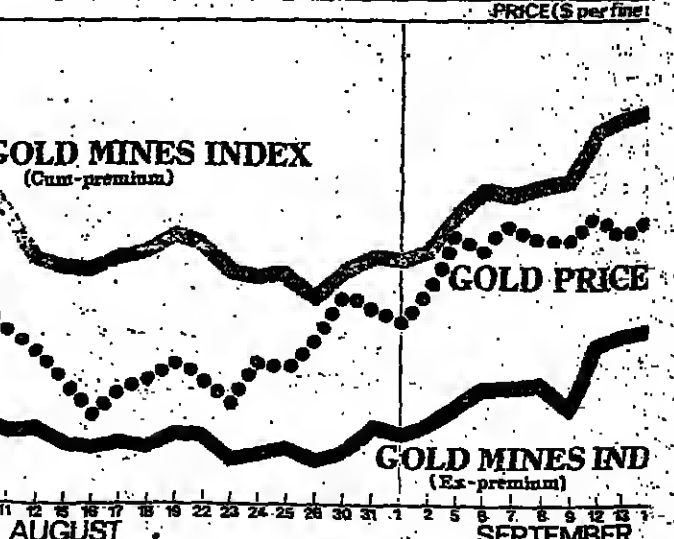
10.00 a.m. Scene on Saturday including Birthdays Greetings and Family News...

GRANADA

9.55 a.m. Being a Child, 9.58 A House for the Future...

TV ratings, week ended September 11

Table with 3 columns: U.K. Top 20 viewers (m.), Programme, and Rating.



Capital Radio

1.00 a.m. Breakfast Show, 1.00 a.m. News, 1.00 a.m. Sportsweek, 1.00 a.m. Newsweek...

BBC Radio London

6.00 a.m. AM Radio, 7.00 a.m. AM Radio, 8.00 a.m. AM Radio...

Chess Solution: 1. BxP1 Qx5, 2. QxQ2, 3. QxN1 Resigns. Chessboard diagram included.

savings and investments

all success story

HE GLEESON

YED it enor- No-one has ever put much money into the company—unt doing this I've f much, much even its principal backer, Industrial problems are real see?" Corporation, the small com- pany of the clearing banks' organisation for medium-term lending, Finance for Industry. At its greatest, ICFC's exposure fell well short of £30,000. Cambridge, 18 strong including the typist and the tri-lingual lady on the switchboard, is now making that sort of money in a year.

Mrs. Wheatley came to be the company's managing director by way of a chance meeting in a Cambridge pub, 11 years ago, with a young man who turned out to be one-half of a company set up to spread in Britain the gospel of programmed learning—self instruction on a step by step basis. At that time she was a tutor in social anthropology, but within 18 months of the meeting she had abandoned the groves of Academe, was up to her eyes in devising a new self-instruction manual for the Engineering Industries' Training Board ("at that time I didn't know one end of a screwdriver from another. But they still use those manuals"), and had been made an executive director of the company.

In those days CC(T) was all about enthusiasm and very little cash flow. If control—very little financial control, at any rate. Mrs. Wheatley's contribution was a strong appreciation of the virtues of "good housekeeping"—making sure that the costs of fulfilling a contract did not outrun the price negotiated for it. All the same, the early finances of CC(T) were precarious enough, and its progress to reasonable financial stability dates from 1970, when she bought out the second of the company's two founding directors.

Nowadays borrowings from ICFC are down below the £10,000 mark, the company's eight consultants are working on 14 projects at the moment, and there are more in the pipeline. The money comes in by instalments, the first when work is commissioned, thereby eliminating the worst of cash flow difficulties. For the company, in fact, money is not really a



Problem: "We don't need century porcelain coffee cans and perfume bottles, her assets to carry out her reluctant threat to 'retire sometime'—does, however, pose other difficulties. If the beneficiaries are happy with the income they produce, then the continuing independent existence of the company could, for example, be secured by a trust to hold them for the benefit of her children or her grandchildren. But if it is capital that is required, then the other directors and employees of CC(T) are going to have to resign themselves to a new owner.

One thing is certain. This company is the people who work for it: any moves that diminish their fair and enthusiasm would ruin the investment.

Transfer of her shares— Jones average is now back to where it was at the beginning of the month, and it has been lower in the interval. It doesn't owe much to the dollar premium, either, or to anyone's expectation that the British trust's portfolios will rise faster than the market as a whole. Partly because they spread their risk (and reward), and partly because some of their assets are held in liquid form, it is extremely difficult for any portfolio managers to outperform a rising market. No, the reasons why the trusts have outperformed hinge on dividends.

For some time now the gap between the average yield on investment trust shares, and

High-rise trusts

WITH ALL EYES this week that on ordinary shares, has will at least continue to hold fixed on the high glamour of been steadily closing—partly their own: because the distributions made by investment trust companies have been rising fast (by some 18-20 per cent. last year), and partly because the yield on equities has diminished as prices rose. Ten days ago the two came within a whisker of a crossover—an absurd situation, given that U.K. companies are still constrained (though only loosely) by dividend control, that investment trust companies suffer no such constraints, and that their dividend income is likely to go on rising fast as a result of big payouts by the American companies in which they are invested.

It is true, of course, that with U.K. dividend control likely to come off in the middle of next year, investors in most ordinary companies can look for a once-and-for-all bonanza—dividend increase of maybe 30 per cent. to make up for the years of strict control. Those dividend increases will come through to the holders of investment trust shares too—but probably in a diluted form; to the extent that the portfolio is invested outside the U.K., its income will be out at a profit. So the sector rising rather more slowly. That could well be in for something leaves, nevertheless, a year in which the growth of investment trust payouts is going to exceed that available on most companies—and a prospect that, beyond the bonanza, they

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switching tactics

SHORT K saw the equity The other factor to consider is how to switch, without incurring a capital gains tax penalty. Linked life companies have come in recent years to appreciate this problem, and they now offer switching facilities on their bonds. Investors have the option to move their investment from one fund to another at minimum or even zero costs. An important aspect of this facility is that no CGT liability is incurred, since tax is allowed for in the price. The procedure is quite straightforward. The investor, or his adviser, simply informs the company that he wishes to make a switch. The company will send him a switching form, and carries out the transaction when it gets it back. Costs of the switch are taken into account in crediting the units of the new fund, and the investor makes no cash payment. Investors who intend to use this facility could ask for some switching forms in advance. What the companies will not do, however, is advise clients when to make a switch.

The one big danger to switching is that most investors tend to follow the herd and switch into the wrong fund at the wrong time: so losses, not profits are maximised. If they have any doubts on what to do, it might be better to invest in the managed funds marketed by life companies, and leave the investment mix to the professionals.

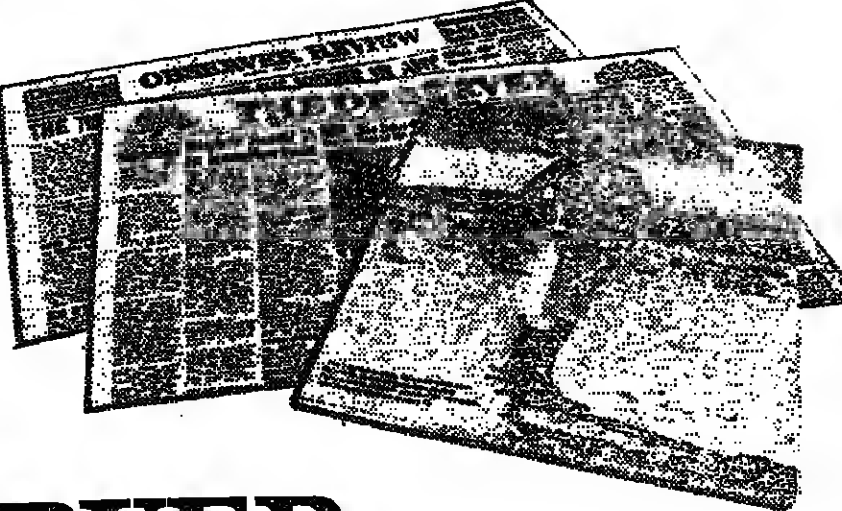
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THE OBSERVER looks ahead of the times

CO

 BSB

k's one point cut in ing banks' base rates cent is welcome news who want to borrow, not because it reduces t doing so. It also indi- the banks have money and are willing and to do so—willing en- give even the personal a hearing when he king for an overdraft, worth making a strong get just that, rather fobbed off with a per- n.

Because there is a big e in the rates. If you're g on an overdraft (and elp your case consider- you can convince the- anger that you can pay- loan within the year), 'll be paying between 12 per cent. per annum, ag on your financial

standing—or maybe as little as 9 per cent. if you're an AI risk and bank at Lloyds. The same money on a personal loan will cost you (on a "true" basis, over two years) between 15.5 per cent. (from the Co-op), and almost 18 per cent. (from York-shire Bank). The "big four" clearers are charging some 16.7 per cent.

Credit card borrowing is of course still cheaper—providing that you don't need to borrow for long. If you do, last week's 3 per cent. per month cut in Access' charges to 1 1/2 per cent. per month makes it more attractive than Barclaycard, with a maximum "true" interest rate of 23.14 per cent. per annum as against 26.8 per cent. But if you can convince the manager that you can pay (loan within the year), you'll be paying between 12 per cent. per annum, and a trip to see the bank manager to talk about an overdraft should, by comparison, more than repay the outlay.

Finance and the family

Insurance

Life bonuses

BY JOHN PHILIP

WHEN YOU ARE buying non-profit life insurance, whether with the help of a broker or on a do-it-yourself basis, it is a fairly simple job to arrange a league table of your chosen insurers and to determine which gives the best return for your money on death or maturity. You can start from the premium end and compare what sums assured you are going to get by paying say £500 a year gross of tax to your chosen companies, or you can start with a definite sum assured and then find out how the premium varies from one office to another.

Having done this much you then have to look at the policy terms and conditions, minimum surrender values (if you think you may want to stop paying premium short of the full term) and perhaps the size, age and reputation of the companies concerned — though since the passage of the Policyholders' Protection Act and the establishment of the Policyholders' Protection Board, this aspect is of less concern to the potential buyer.

But when you turn to select a with profits life policy, the task is that much more difficult, because the relationship between annual premium and insurers' ultimate payout is that much more uncertain. Ultimate payout comprises two parts, the basic sum assured, and profits which insurers pay in addition: a comparison of the premium — basic sum assured relationship is utterly misleading.

Past profits performance and current profits performance are of course a guide to the future, because it is reasonable to assume that most of the present market leaders will maintain their advantage at least in the short to medium term, although their individual positions in the league table may well change as the result of alterations in company investment policy, underwriting policy or both.

Past and current performance is regularly monitored by such monthly periodicals as "Planned Savings" and its associated quarterly "Savings Market". Under "Planned Savings" does a deal of work also in making predictions as to future performance. Another source of information is the monthly insurance magazine "Policy" and once a year this makes a thoroughgoing review in tabular form of the bonuses currently being paid on ordinary life policies issued in this country. The August edition of the magazine also compares current with previous premium rates for whole of life policies and 25-year endowment. For the 35-year-old, 8000 policy, the 1976 rate was 40 per cent of the 1975 rate, and the 1975 rate was 40 per cent of the 1974 rate. The main profits plank for any traditional life assurance

BY MICHAEL DIXON

Bridge

DUMMY REVERSAL is not a difficult manoeuvre, but so often a declarer just does not think of it. Let us study an extremely simple example from a rubber:

♠ K J 9
♥ 10 7 3
♦ A Q 5
♣ A 9 6 4

♠ W
♥ K J 8
♦ 6 4 2
♣ Q J 10 3

♠ N
♥ 10 7 3
♦ A Q 5
♣ A 9 6 4

♠ E
♥ 8 6 5 4 2
♦ 10 9 3
♣ K 7 5 2

With both sides vulnerable South dealt and bid one spade, North said two clubs, and South rebid two diamonds. Feeling that he could not do less than bid game, North jumped to four spades. South trotted out the inevitable Blackwood four no trumps, and went six spades over his partner's response of five hearts.

When West led the club Queen, South, not a great performer, counted 11 top tricks, and could see no obvious means of finding another. Even to the unpractised eye it was clear that there was no possibility of a squeeze or endplay. He won the club lead with dummy's Ace, drew four rounds of trumps, ran dummy's diamond winners, and then played his last spade. But East and West discarded safely, and the contract was defeated by one trick.

A dummy reversal, provided that the trumps break 3-2, yields 12 tricks. The favourable trump split must be assumed, because there is no other chance. Declarer should win the first club and at once ruff a club in hand with the ten of spades. He crosses to the nine of spades, ruffs another club with the Queen of spades, returns to dummy's Knave of spades, and ruffs the last club with the trump Ace. Now a low diamond to the Ace enables him to draw West's remaining trump, with

E. P. C. CO.

House in trust for son

BY OUR LEGAL STAFF

A man whose divorced wife received a lump sum in lieu of maintenance has made a declaration of trust to hold the house in which he lives for the benefit of his son. If he sells it, will there be capital gains tax and capital transfer tax to pay? Who pays outgoing surb as rates? Would the divorced wife have any claim on the proceeds following the man's death?

There is likely to be a charge to Capital Gains Tax on the sale and Capital Transfer Tax would have become payable on the gift if the £15,000 exemption was exceeded. Outgoings since the date of gifts would prima facie be payable by the son, but he may require his father to pay him a sum for use and occupation. The divorced wife might well seek to say that the transaction is a sham or alternatively that it was a disposition within Section 10 of the Inheritance Act, 1975. However, if the house was declared as an asset at the time of the divorce this would not be the case. We think that there would not be any real likelihood of a successful claim by the divorced wife after her lump sum settlement otherwise than in respect of assets whose existence was not disclosed to the court at the time of the divorce settlement.

Transfers on emigration

If I went to live in Canada having previously bought Canadian or American stocks and paid the premium, could I take the certificates with me and sell them there? What would be the position regarding E.K. unit limits, British investments and cash?

There is no restriction on taking abroad foreign currency

securities such as American or Canadian stocks which have been purchased with premium currency, but you should note that after emigration you would no longer qualify for the dollar premium.

Domestic investments such as a U.K. unit trust or British securities, or cash, would come within the limit of £5,000 on the transfer of capital on emigration to Canada.

Shares in an estate

Some four years ago a recently deceased aunt made me by way of gift a joint owner of a bonus issue of shares, but I arranged that she should receive all the dividends.

(a) What is the tax position and I am, or the executors of the estate, responsible for paying it? (b) About the same time she made an agreement with the landlord to redecorate every seven years. The landlord's agent has suggested a payment towards this cost by the executors of £200 out of an estimated total of £600. Is this correct? (c) The landlord also claims a free-standing wooden shed, erected by her and standing on the property. Is he correct?

(a) Whether your aunt was the beneficial owner of all, or only of half, the beneficial interest in the shares is a question of fact. On the information you give it seems likely, but not inevitable, that the whole beneficial interest remained in her, in which case the whole value of the shares falls to be included in her estate for Capital Transfer Tax. The executors would be primarily responsible for the payment of the tax, but its incidence ultimately falls on the beneficiaries who take the estate. Unless you are a beneficiary under her will, you may have no beneficial interest in the shares even after your aunt's death.

(b) The basis of settlement of the claim in respect of the obligation to redecorate is a perfectly proper one. The landlord is entitled to claim the cost of putting the property into the condition which the tenant covenanted to achieve. But that only arises when the year of redecoration arrives. In your case it seems not to have done so. However, if the tenancy is being surrendered, there may be a covenant to redecorate in the last year which would become effective.

(c) We think that the landlord is not entitled to claim the shed, as it is not a "fixture" if it merely rests on its own weight on the ground.

An offer to complete

I exchanged contracts for the purchase of a cottage in the grounds of a hotel on August 7 but was told that the hotel would not complete till August 14 because the fence was not finished. On that date I was told that the deeds of the cottage were still in the hands of the hotel's bank and also that no planning permission had been obtained for the new access drive to the road. My solicitor did not think the hotel had broken the contract. What do you think I should do?

Your remedy is to offer to complete with a retention to cover the possible defect arising from the want of planning permis-

You can at the same time serve a notice to complete the contract, which will make time of the essence. After the 28 days stipulated in the notice have elapsed the vendor must complete or be in breach of contract; but you need only offer the purchase price less a retention, if the permission required has not been obtained (or an agreement not to enforce has been procured from the planning authority).

Access to a garage

For the past 14 years I have driven my car over the pavement to my garage, but I am now threatened with an injunction under the Leasehold Reform Act 1967 or the Landlord and Tenant Act 1954, we think that the council's contentions are correct as to discharging the rights to purchase the freehold or renew the lease. We think, however, that the adjustment for dilapidations is not correct, because Section 19 of the Landlord and Tenant Act 1927 limits the landlord's claim for dilapidations to the diminution of the value of his reversion.

Negligence by a solicitor

My sister, aged 80, living in Scotland, wishes to realise her assets in order to buy an annuity. She left share certificates, savings certificates and savings bank books with her solicitor many years ago and it now appears that they were stolen when the solicitor was buried some years back, as to which my sister was not advised. Meantime, the savings bank account has been closed, presumably by the thief. What do you think she should do?

We consider that your sister may well have a course of action against the solicitor who was the custodian of her papers. If the papers were missing as a result of a burglary and that took place without negligence on the solicitor's part, she would not in normal circumstances have a claim against him as he would be under no absolute duty of care in respect of his custody. However, the circum-

Compensation and delapidations

I am lessee of a house, as to which about 10 months before the lease expired the council served notice to trial and entry. In calculating compensation, the council claim that as I did not apply for enfranchise-

stances here are unusual as subsequent to the theft he appears to have taken no steps whatever either to advise your sister or the bank of the occurrence as a result of which it appears her account has been fraudulently cleared. It is our opinion that amounts to negligence in law, and may be actionable.

However, in view of your sister's age and the obvious difficulties about this course of action, we suggest as a first move that you contact the Law Society of Scotland, 27 Drumhugh Gardens, Edinburgh. They will be in a position to call on the solicitor concerned to account for whatever happened and will investigate the matter on her behalf.

Domicile in Channel Islands

I am British by birth and am retiring from a post in Belgium to the U.K. or the Channel Islands. When my pension is paid into a Belgian bank, can I leave such of it as I do not require for current purposes, in the bank? Can I avoid capital transfer tax if I take my residence in the Channel Islands and leave no assets in the U.K.?

You can only retain money in a Belgian bank with the permission of the Bank of England, and you must advance a good reason for wishing to do so.

You will only avoid capital transfer tax by acquiring a domicile which is not in the U.K. If you are now domiciled in, say, England, you will continue to be so regarded for capital transfer tax purposes, even if for other purposes you become domiciled in the Channel Islands.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Headings must be more than competent

In the circumstances it seems perhaps typically naive of the MPs' select committee which reported this week to suggest that school heads should be selected in the first place and thereafter assessed for the renewal of their contracts of employment, according to "agreed criteria."

To say this is not to deny that the prevailing hotchpotch of selection customs in the different local education authorities' areas, which in some cases are egregiously partisan either politically or otherwise, needs replacing. There is no doubt that the high job-security which allows the ineffective and even worse heads so often chosen by these customs to remain almost impregnable in office, should give way to a system of appointments to be renewed or not at the end of a fairly short period. There is no doubt, too, that a list of roughly measurable requirements of skill and

Careers

A HEAD teacher I know has several times sent teenage girls away for shortcours unknown to their alienated parents, who were told their daughter was going on a course. On another occasion he arranged that a pupil, hobbling from continual thrashings by a tyrannical stepfather, should steal some money carefully left in the school office, so that the child could be officially taken under care.

Whether or not the head was right in these actions is beside my point. The instances are cited only to show that there is more to running a big secondary school than meets the public eye. Now especially, when so many youngsters are plunged unprepared into a society of loggers and lice, few industrial managers can meet problems as barrowing as those which head teachers are fairly commonly required to treat in the way or another.

Chess

EVERY chess player beyond the stage of a raw beginner knows that an extra piece is sufficient to win barring clear compensation or counter-threats for the opponent. A little later, the novice finds that an extra pawn can also be decisive given the chance to exchange down to a simple material, by sheer weight of numbers, is such a familiar concept in many games and activities that it is easy for learners to grasp.

Winning just as effectively on position, with material forces square control piece is sufficient to understand and one which many players never fully assimilate. The confirmed player who has never understood the importance of the initiative or any chess club can be found in chess; typically, his pieces are buddled together on the back rows while his opponent's men prepare for a decisive attack on the king. Material will still be level, but the attacker will have all the active play and all the important outpost squares in the centre.

It is well understood in master chess that command of a single key square in the centre can be just as reliable a winning situation as a large plus in decisive material.

Steinitz said: "When I have a knight on K6 or Q6 I can go to sleep and let the game win 1 P-Q4, N-K3; 2 N-Q3, P-K3; 3 P-K4, P-Q3; 4 P-Q4, B-N3; 5 B-K2, Q-Q; 6 N-B3, P-K4; 7 P-Q5, P-K3; 8 P-K3, P-K4? (better N-Q2); 9 P-P, Q-B3; 10 N-KN1; 11 BxP rather than ... KNXP." Every Russian schoolboy knows you must retake with the pawn square control of White's K4 square.

Fischer-style opening play comments like "the weak knight is lusted" or "opponent has made a mistake and is lost" probably started with the B-Q4 line against the Sicilian (shown in one of this week's games) which aims to gain control of the Q5 square.

Why, then, are there any examples from current chess practice at expert level of "victory by a square"? The usual answer is that the loser becomes so absorbed in tactical variations that he underestimates his positional drawbacks against a simple strategic approach. Alternatively, a player can be well aware of the square control theme but forced to concede an outpost due to mistakes or imprecisions in the opening.

The games this week show the mechanics of square control victories. In the first, Black tries a gambit 10 P-P, B-N3; 11 P-R2, K-R1 which is refuted when Petrosian occupies the Steinitz K6 square while still controlling the centre.

Black has no concession material.

White: T. Petrovian. Black: knight on K6 or Q6 can go to sleep and let the game win 1 P-Q4, N-K3; 2 N-Q3, P-K3; 3 P-K4, P-Q3; 4 P-Q4, B-N3; 5 B-K2, Q-Q; 6 N-B3, P-K4; 7 P-Q5, P-K3; 8 P-K3, P-K4? (better N-Q2); 9 P-P, Q-B3; 10 N-KN1; 11 BxP rather than ... KNXP.

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Chess

White mates in three moves, against any defence (by H. Erdonbrecher).

Solutions Page 2.

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Stamps

NO DOUBT sociologists can provide a rational explanation for it, but it seems paradoxical that, as the way we live and think becomes more standardized the world over we tend to cling more tenaciously to customs, crafts and traditions associated with the past. Much of the so-called nationalist sentiment in the world is, in fact, regional if not parochial. Tribalism may be the curse of modern Africa but elsewhere it is sedulously fostered, as witness the recent International Clan Gathering in Edinburgh.

Postage stamps are playing an increasing role in fostering a sense of pride in traditional customs. The most dramatic example of this is provided by the new Swiss definitive series which goes on sale on August 23. In a country which has survived a remarkably long time despite political, religious and linguistic divisions, folk customs are both an expression of cantonal character and a colourful adjunct to the tourist industry. Judging by the variety of the nine subjects chosen for the nine stamps of the series, the Swiss Post Office has barely tapped an exceedingly rich lode of folklore and folk art.

Several of the customs depicted are connected with the seasons and events which are celebrated universally, but they have a highly distinctive character. The 5c stamp shows carol singers at Epiphany in Bergün in the Grisons. The star-singers take their name from the large illuminated star which they revolve by means of a crank. Elaborate costume is worn by the participants in the Silvesterklaus, celebrated in Herisau on New Year's Eve and January 13, the old feast of St. Silvester. The Rollewiber shown on the 20c stamp are young men in women's costume and are accompanied by four Teichelträger carrying large cow-bells. The Gansbühel of Sursee (35c) is celebrated on St. Martin's Day, November 11, when the peasant formerly paid their rents in kind. The focal point of the festivity is a cross between swan-upping and blind-

Ancestral voices

man's buff. The Esclapade of Geneva, by contrast, celebrates the repulse by the citizens of the Duke of Savoy in 1602, by which Geneva secured political and religious independence. The 40c stamp shows the steaming cauldron and scaling ladders, symbols of the defenders and attackers respectively. Other stamps feature the Maundy Thursday procession in Mendrisio, the Vogel Gryff of Basel and the Roitschaggäta of Lötschental with its demou masks which were released on September 8, is a 70-fr stamp depicting traditional cast-iron stove decoration. At one time stoves were imported from Germany but an indigenous industry started in the 1630s in the province of Smaland. The cast-iron stoves were decorated with reliefs, possibly in imitation of the hammer-wares tiles on the imported German stoves. Biblical motifs and allegories of kings and queens were the most popular subjects. The example on the stamp, engraved by Major Franz-Matthews, is taken from a stove in Stockholm's Nordic Museum.

From Tunisia comes a series of six definitive stamps with the theme of the country's cultural heritage. The subjects range from a gold coin of the Fatimid dynasty in the 10th century to a highly ornamental gate in the village of Sidi Bou Said, dating from the early years of this century. Other stamps in the series feature under-glass painting, pottery, and enamelling on metalwork. The subject of the three stamps issued on July 21 by the three countries of RCD (Regional Co-operation for Development)—Iran, Pakistan and Turkey—is ancient terracotta, in the form of figurines, masks and vases which reflect the common heritage of these countries.

A richly tattooed mask from Greenland's Kr.9 definitive which goes on sale on September 8. Denmark is issuing later in the month three stamps showing the tools associated with traditional handicrafts.

JAMES MACKAY

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Chess

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Life boating



Fast car fever

BY STUART MARSHALL

UNFAIR of sessionaires to the Ferrari Dino are I was, comaged, a firm principle that for personal lays. Even as I into the driving o the twin over, three-litre VS, it fast car fever, was a thing of r from it rather s. It first came e a Porsche in s. An E-type followed by an ade it worse. es into the hour rs on end in a ravaged my crme the oil crisis s and I was coner had burned re were a few of course. A Porsche Carrera another with a Ah yes, the day or two with and the Porsche down, I knew

Five miles in the that, like a hack- off, I was hooked ben seduced by

ino has as much th normal, every- as sole bonne th cod and chips. is scapel sharm, a nervously abedi, car seems almost orners. With 250 tan, the perform- ably shattering, nes up from a seven seconds (a takes 11 seconds) ed of 148 mph is

It is a different matter in town. The clutch is lorry-like and the pedal is to depressed all the way down to the bulkhead every time you shift gear. The shift is heavy (part of the car's character, say Ferrari huffs) and the turning circle of almost 40 feet is ridiculously ponderous for a car which has a wheelbase of under 8 feet 6 inches and is little more than 14 feet long.

The front bonnet, which covers only the spare wheel and radiator, droops out of sight, which is no help when parking in confined spaces. At near-zero speed, the steering is

heavy, too. But the engine, which soars with a marvellous, tuneful roar to high revolutions, is extraordinarily flexible in traffic. At 25 mph in fifth, the Dino remains untemperamental. Slip the gear lever into second or third and prod the accelerator, and it leaps forward like a Lear Jet taking off, the speedometer and rev. counter needles swinging round their dials in unison. Suddenly you remember that speed limits apply to Ferraris just the same as Fords. It seems an awful pity. . . .

The front seats fit like plaster casts and the driving position is superb. But the back seats are a bad joke. With the front passenger seat pushed well forward, my teenage daughter reckoned the back would be habitable, but not for long. Four circus dwarfs might consider the Dino a family car, but for normal sized people it is a two-seater with a padded shelf for throwing Harrods' packages on to. The rear boot—it is behind the engine compartment lid—is roomy enough for two people's week-end baggage.

The Dino 308 GT4 2+2 costs £13,000, which makes it the least expensive Ferrari. That includes electric windows, twin speakers and electric aerial but not the radio, tinted glass and heated rear window through which (and it's just as well) there is an excellent view of the road behind. Air conditioning (£600) is an essential optional extra. Fuel consumption, with reasonable restraint, can be better than 20 m.p.g. But at a steady 100 m.p.h., the Dino is doing 15.5 m.p.g.

Ferrari motoring is an art form, a sporting activity, more than the achievement of personal mobility. Irrelevant though it may be to most of us, it is the kind of car you seek excuses to drive for driving's sake. For those still inflected with fast car fever, it's reason enough to keep sending off that pools coupon every week.

Golf

مكازم الأمل

The Americans tighten their grip

BY BEN WRIGHT, Royal Lytham

BY SWEEPING the dreaded fourballs by four matches to one, the United States tightened their grip on the Ryder Cup here at Royal Lytham, taking a lead of 7½ points to 2½ over the challengers from Britain and Ireland—just as expected.

Now the home side has to win eight of the ten singles to-day to record our second post-war victory, which is the stuff of dreams rather than reality. The Americans need just 2½ points to retain the trophy and only three to win the match.

In the top match yesterday, Tom Watson and Hubert Green destroyed the British pairing of Brian Barnes and Tommy Horton by 5 and 4, and were seven under par doing it. In the second match, Ed Sneed and Lanny Wadkins went one better, beating eight under par when they beat Neil Coles and Peter Dawson 5 and 3.

The lone and brilliant British victory was for the second day running recorded by Peter Oosterhuis and Nick Faldo when they beat the formidable combination of Jack Nicklaus and Ray Floyd by 2 and 1 thanks to a run of six British birdies in nine holes starting at the sixth. Our heroes were six under at the finish to the Americans' three under.

Davin Hill and Dave Stockton beat Tony Jacklin and Eamonn Darcy by 5 and 3 in the fourth match, a lack-lustre affair apart from the brilliant putting of Darcy and Stockton.

And in a dreary marathon that took the best part of 5½ hours and was notable only for the paucity of birdies and brilliance, Hale Irwin and Lou Graham beat the youthful British pair, Mark James and Ken Brown by one hole.

Watson and Green really overwhelmed their opponents in the first five holes, four of which they won. But their outward half of six-under-par 29 really bears inspection in detail, since it included a stroke dropped to par at the third hole. The Americans' figures were 2, 4, 5, 3, 2, 4, 4, 3, 2. When they won the match Watson and Green were seven under par to the British pair's two under.

Watson began the slaughter with a 40 ft putt for his birdie at the 1st, and the British lost the 3rd most unskillfully when Horton missed a short putt to let the Americans off the hook. Green played a glorious second shot to the 4th green and holed out from 10 ft. Watson struck a one-iron shot a similar distance from the hole at the 21st yards 5th and rammed in the putt to give his side a four holes advantage.

Green holed a 25 ft putt for his birdie to win the 8th hole, and after Watson had chipped in from 35 ft, at the 9th, Horton followed with a 20 ft putt for the half in two.

The British were let off when Green three-putted the 11th hole, but he made amends by chipping stone dead for the

seventh birdie for his team at the 13th. Barnes holed from 6 ft for a half that was by this time purely academic.

Coles and Dawson were similarly overwhelmed by a stupendous display of teamwork by Sneed and Wadkins, who were no less than eight under par for the 15 holes played. The Americans were out in 21 and birdied four of the next six holes for the match, at which stage the poor British were three under par themselves.

Just as they did in the first match, the Americans had difficulty with the strong breeze sueding from left to right and into their faces at the long 3rd hole. The British were none too tidy either, until Dawson played a marvellous pitch from the jungle and holed out from 6 feet in square the match.

Thereafter the British just could not stop the avalanche. Sneed holed from 18 feet for a two at the 5th to win that, and from 30 feet for a birdie at the 7th, where Dawson bravely holed from 5 feet for the half. The match was really lost at the 8th and 10th holes. At the 8th, Coles chipped from in front of the green to 3 feet and missed the putt. From behind the green, Wadkins pitched 7 feet from the hole but got in the putt for his side to go two up.

At the 10th, Wadkins rolled in a 25 ft putt for a birdie, and the British fatally missed for theirs, Coles from 6 ft, and

Dawson from 3 ft. This has been the story of the match so far. The British have tossed away their chances upon the greens, although until that point their golf shots have been the equal of, if not better than, those of their opponents.

Wadkins got up and down from a bunker to win the 11th hole, where Dawson missed from 8 ft for a birdie and the half. The 13th was halved in birdie three when Coles holed from 15 ft, Wadkins from 4 ft, Dawson had pitched to 18 inches, but never got round to putting. The match finished at the 15th hole when, needing only a half in four, Sneed turned the screw by holding from 15 ft for a birdie three.

The second epic victory of the series for Faldo and Oosterhuis was extraordinary for the manner in which it was achieved at the expense of two of the world's great players, Nicklaus and Floyd. Oosterhuis hates to play with the wind at his back, and this was the strange direction it chose as the players set off along the railway line. The high fellow lates it like this because the ball gets away from him, and so it did for the first seven holes when he holed in the match, apart from wrapping a ball in three at the first hole. For all this time, Faldo, who became 30 years old in mid-July, held the team together in heroic fashion.

He won the 2nd when both the Americans were bunkered

and could not raise a par four between them, and Faldo holed a magnificent second putt of fully 10 ft for a half in four at the 3rd.

After drivin on to the railway line at the 7th Oosterhuis suddenly pulled himself together and won the next two holes—which were so important—with brilliant birdies.

Faldo holed a sizeable putt for a birdie to reduce the deficit at the 10th, but Faldo played another master-stroke at the 11th, getting in a 20-foot putt, having been bunkered off his second shot.

This put the British two up, and Faldo—going from strength to strength—put our side three ahead, when all four men were close to the 13th hole in two shots, by being the only one to get in his birdie putt. The 445-yards 14th was halved in three, Floyd holing first from 30 feet and Oosterhuis following him in from five after a masterly six-iron to the green.

Oosterhuis's putt from 30 feet for the match hit the back of the hole and both sides as well before coming back at him, and Nicklaus duly made no mistake from seven feet for the birdie that put the British two up with two to play. Then Oosterhuis showed his mettle with a perfectly played par four at the dangerous 17th, which was good enough to win us the match.

Yachting

Getting the strings right

BY SAM VITE, Rhode Island, September 16

THE FORLORN hope that Australia was launched before the turn of the year. Her skipper, Noel Robins, and his crew spent much of our winter working their her in home waters. Then she came to Newport and sailed against the other would-be challengers from Eastern Australia, France and Sweden. And after all those hundreds of hours of trials and competitions, one of the key men in the whole project is still talking about "putting the strings in the right position."

It becomes increasingly clear as the series goes on that the

American defenders of the cup are working to different standards from those who would like to wrest it away from its apparently perpetual home in the New York Yacht Club. Their boat, Courageous, was tuned in fine pitch before she even came to Newport, their crew are drilled to split-second precision, their sails and gear are honed to highest efficiency, and, to make it all work with devastating authority, skipper Ted Turner and every man in the boat and his backup are totally dedicated to winning.

Not for them the late season ordered for the Australian men last night in watch videotape coverage of yesterday's aborted second race in the series. They don't need to look at objective evidence to see whether their sails are right. They know.

For the challengers, to-day's race could be the last chance to give their efforts some credibility. In last Tuesday's first contest, Australia lost to Courageous in medium weather. In yesterday's time-expired attempt to run the second race,

the Australian boat was clearly inferior in light going, having dropped nearly three-quarters of a mile behind before the double gun sounded to mark the expiry of the 5½-hour time-limit.

Alec Bellby writes: Heath's Condor, the 77-foot sloop that has been leading the way south towards the Equator in the first leg of the Whitbread round the world race, was dismissed on Thursday evening and is putting back into Monrovia, on the West African coast which, under jury rig, she expects to reach tomorrow. The accident happened 90 miles short of the Equator and no injuries to the crew were reported.

I&G RECOVERY FUND

acclaimed by financial journalists and ast advisers, M&G's Recovery Fund, de produce capital growth, ended August as best-performing unit trust this year. It is over the one-year, five-year and seven-iods. It has a policy of buying the shares anies that have fallen upon hard times. these companies recover, and through a of careful selection M&G has been able to g rewards over the years to Recovery vestors. An investment of £1,000 at the he Fund's launch in May 1969 had, at the rize on 15th Sept, 1977, grown to £5,588 g reinvested income. During this period Industrial Ordinary Index, which does not reinvested income, has gone up by 31.5%.

ors should regard unit trusts as a long-term ent and not suitable for money needed at ice. The price of units and the income from ay go down as well as up.

ne Units. Distributions are made on 20th Feb- 20th August net of basic rate tax. The next ion date for new investors will be 20th Feb- 378. At the latest offer price of units of 73.6p 15th September, 1977, the estimated current ield was 4.5%. Prices and yields appear in the other leading newspapers daily. The price in- nitial charge of 3.4% and there is an annual of 2% (plus VAT).

an buy or sell units on any business day. s for purchases or sales will be due for settle- or 3 weeks later. The Trustee is Barclays Bank ompany Limited. The Fund is a wider range y authorised by the Secretary of State for Trade. ssion at 1.4% is payable to accredited agents. s is a member of the Unit Trust Association.

M&G Recovery leads Unit Trusts
FINANCIAL TIMES 3.9.77

66 The figures show that M&G Recovery was also top over one year, two years and six years. It was second over four years.

SUNDAY TELEGRAPH 4.9.77

TWO WAYS TO INVEST

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ
TELEPHONE: 01-626 4588. This section to be completed by all applicants.

02 FULL (Mr/Ms) SURNAME _____
03 (FORENAME) Initial _____
04 ADDRESS _____
POST CODE _____ 90 RF 530927

EITHER £500 Complete this section if you wish to make a lump sum investment from £500.

I WISH TO INVEST £ _____ in ACCUMULATION/INCOME units (delete as applicable or Accumulation units will be issued) of the M&G Recovery Fund at the price ruling on receipt of this application.

Do not send any money. (A contract note will be sent to you stating exactly how much you owe and the settlement date. Your certificate will follow shortly.) I declare that I am not resident outside the United Kingdom, the Channel Islands, the Isle of Man or Gibraltar, and I am not acquiring the units as the nominee of any person resident outside those territories. (If you are unable to make this declaration you should apply through a bank or stockbroker.)

SIGNATURE _____ DATE _____

OR £10 Complete this section if you wish to make a Regular Monthly Saving (minimum £10 a month).

I WISH TO SAVE £ _____ each month in the M&G Recovery Fund. I enclose my cheque for the first monthly payment, payable to M&G Trust (Assurance) Ltd.

I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

OCCUPATION _____ DATE OF BIRTH _____
NAME AND ADDRESS OF USUAL DOCTOR (to whom reference may be made) _____

Are you an existing M&G Plan holder? Yes/No

If you cannot sign Part I of the Declaration below, delete it and sign Part II.

Declaration PART I I declare that, to the best of my belief, I am in good health and free from disease, that I have not had any serious illness or major operation, that I do not engage in any hazardous sports or pursuits, that I do not engage in aviation except as a fare-paying passenger on recognised routes, and that no proposal on my life has ever been adversely treated.

PART II I agree that this declaration and any declaration made by me in connection with this proposal shall be the basis of the contract between me and M&G Trust (Assurance) Ltd, and that I will accept their customary form of policy.

I agree to provide any further information the company may require. (A specimen of the policy form is available on request.)

SIGNATURE _____ DATE _____
Registered in England No. 1048359. Reg. Office as above.

FOUNDERS OF BRITAIN'S UNIT TRUSTS

COMPANY NOTICES

Joint Announcement by GUARDIAN ASSURANCE HOLDINGS (SOUTH AFRICA) LIMITED, LIBERTY LIFE and INVESTMENT ASSOCIATION OF AFRICA LIMITED ('The Guardian Liberty Life Group') concerning an offer being made to the FIRST UNION GENERAL INVESTMENT FUND LIMITED ('FUGIT').

On 13 September 1977, at the request of the Board of Directors of the Guardian Liberty Life Group, the Board of Directors of the First Union General Investment Fund Limited ('FUGIT') resolved to make a 'Share-by-Share' offer to the holders of the shares of the First Union General Investment Fund Limited ('FUGIT') to acquire 20 cents for every share in FUGIT offered for sale at a price of 20 cents. The offer is being made on the basis of the Guardian Liberty Life Group's offer to acquire 20 cents for every share in FUGIT offered for sale at a price of 20 cents. The offer is being made on the basis of the Guardian Liberty Life Group's offer to acquire 20 cents for every share in FUGIT offered for sale at a price of 20 cents.

The Board of Directors of the First Union General Investment Fund Limited ('FUGIT') is pleased to announce that the offer has been accepted by the holders of the shares of the First Union General Investment Fund Limited ('FUGIT') and that the offer has been completed.

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America: the next opportunity?

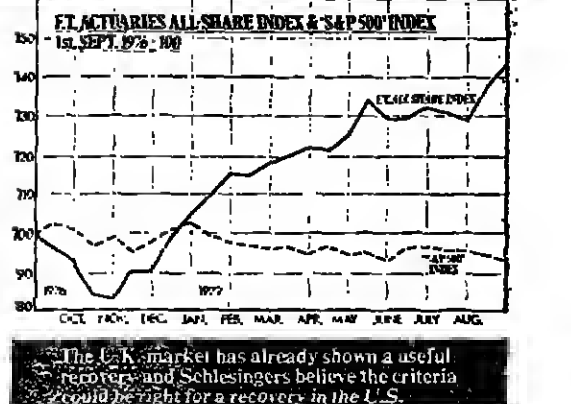
The case for investing in the U.S. now

Every major stock market experiences a phase where a series of political or economic considerations causes a downward drift in investor confidence. The situation becomes self-reinforcing and stock prices bear little relation to fundamental values.

When this is recognised, a major upward adjustment in prices often occurs. In Schlesinger's view a return to these fundamental values and a strong stock market recovery are likely before long in America because:

1. At present levels American stocks are selling at roughly half the 20 year average price/earnings ratio.
2. Share prices as a ratio of their companies' assets are currently only one-third of their 20 year average level.
3. Dividend returns are now very attractive (in many cases higher than from U.K. shares) and look set for further increases.
4. Inflation has moderated and the U.S. economy is expected to achieve 5% - 6% growth this year.

Taking account of all these factors, Schlesinger believes that, taking a medium term view, current prices represent an attractive opportunity to purchase U.S. stocks.



Avoiding the risks of the \$ premium

For over two years Schlesinger has stressed the risks involved in the \$ premium. The collapse of the premium from over 40% in April 1975 to 27% has borne out these views. U.K. residents investing in the American Index through the premium in January would have seen a fall in value of their holdings of 24% (28% after premium surrender) compared with a 10% fall in Wall Street measured by the Standard & Poors 500 Index.

Trident American Growth Fund

Investing in America through the Trident American Growth Fund, however, enables investors largely to avoid the \$ premium. The Fund utilises a back-to-back loan so that unit-holders have been protected from most of the fall in the premium.

Schlesinger's attitude to adopt a watchful but flexible view, deploying investors' funds either through such loans or through the \$ premium at acceptable levels.

To: Schlesinger Trust Managers Ltd, 140 South Street, Dorking, Surrey.

I wish to invest £ _____ in the Trident American Growth Fund at the price ruling on receipt of my cheque. (Minimum £500.) Please send me full details of your share exchange scheme. I wish to know more about the American Growth Fund. A cheque is enclosed in remittance, made payable to Midland Bank Limited. I understand that so long as I hold units originally purchased for £2,500 or more I shall be entitled to the Personal Investment Management Service.

Surname _____ (BLOCK LETTERS PLEASE)
First names _____ (in full)
Address _____
Date _____ FT17/9
(In the case of a joint application all must sign.)

Schlesinger's American Growth Fund

Arts

مكتبات الأصيل

the future on 3

NY CURTIS

least, Controller... programmes... include eleven...

Radio

time for Radio 3 could be from... 10.30 to 12.30, or even later...

speaking to the same type of... One facility at which Radio 3...

bedded in the work of various... contemporary novelists including...

Maria Callas

BY ELIZABETH FORBES

MARIA CALLAS is dead. Not only opera lovers but thousands...



Maria Callas

Long-forgotten works by... Verdi, Donizetti, Bellini, and...

especially those in Anglo-Saxon... Sba had become a legendary...

Theatres this week

Glasgow Citizen's: Demi-Monde... Premiere of a provocative Noel...

Warehouse: Macbeth: An intriguing production by Trevor...

Open Space: Twelfth Night: A dull performance by St. Catherine's College, Oxford...

Royal Court: Sleek: Outrageous send up of punk rock, and the music world generally, by the Alberts.

Atkyns: Trefoil and Cressida: A slow paced transfer from Stratford...

Early music revival

craftsmen, it is nice... day make the best musical instruments...



Fruitwood guitar by Mathews Evt

aristocracy. A beautiful 18th-century cittern in maple wood...

One of the most important items in the sale is a one-keyed boxwood flute...

the third and last biennial Exhibition Musical Instruments...

expensive item in the sale is likely to be an exquisitely inlaid fruitwood guitar...

act, often cheaper, to ginal antique instrument working condition...

Stanley Gibbons Limited advertisement for stamps

ART GALLERIES advertisement listing various galleries

COINS AS AN INVESTMENT advertisement

NEW AUCTION DATE PHOTOGRAPHICA advertisement

Sotheby's auction catalog featuring various gavel items with prices and locations

Sotheby Parke Bernet & Co., 34-35 New Bond Street, London W1A 2AA Telephone: 01-493 8080

The launch of a new era

At 17.00 yesterday, the City of Durban slipped for the first time into the water and launched a new era in the development of HCL container trade.

At £50 million the cost is high.

But the opportunities offered by this new vessel are even higher.

She has been built to serve one of the last great trade routes to containerise Europe to South Africa.

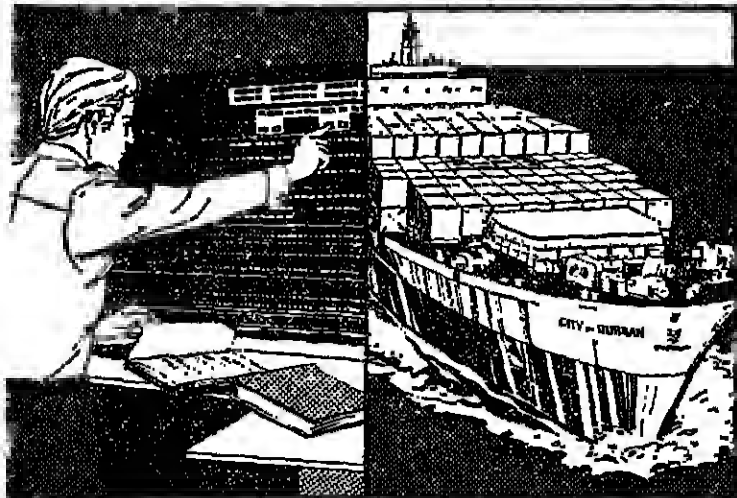
About 48,300 tonnes deadweight, she will carry 2,436 containers of which a third will be in temperature controlled conditions.

She will also carry the proud tradition of three quarters of a century of service on this route, where the names of Ellerman and Harrison have been so well known to shippers. Their record for providing a reliable, efficient and personalised service is second to none.

The floating power station

With 886 temperature controlled containers at risk City of Durban's electricity generating plant leaves nothing to chance.

Six diesel driven alternators deliver no less than 9 megawatts, making the vessel one of the largest electrical installations afloat.



Keeping watch

On the Bridge the crew is backed by sophisticated aids including a satellite navigator.

In the engine room a computer will constantly survey one thousand six hundred measuring points - checking temperatures and monitoring cargo conditions.



And all the home from home comforts

Individual cabins with toilets/showers en suite for every

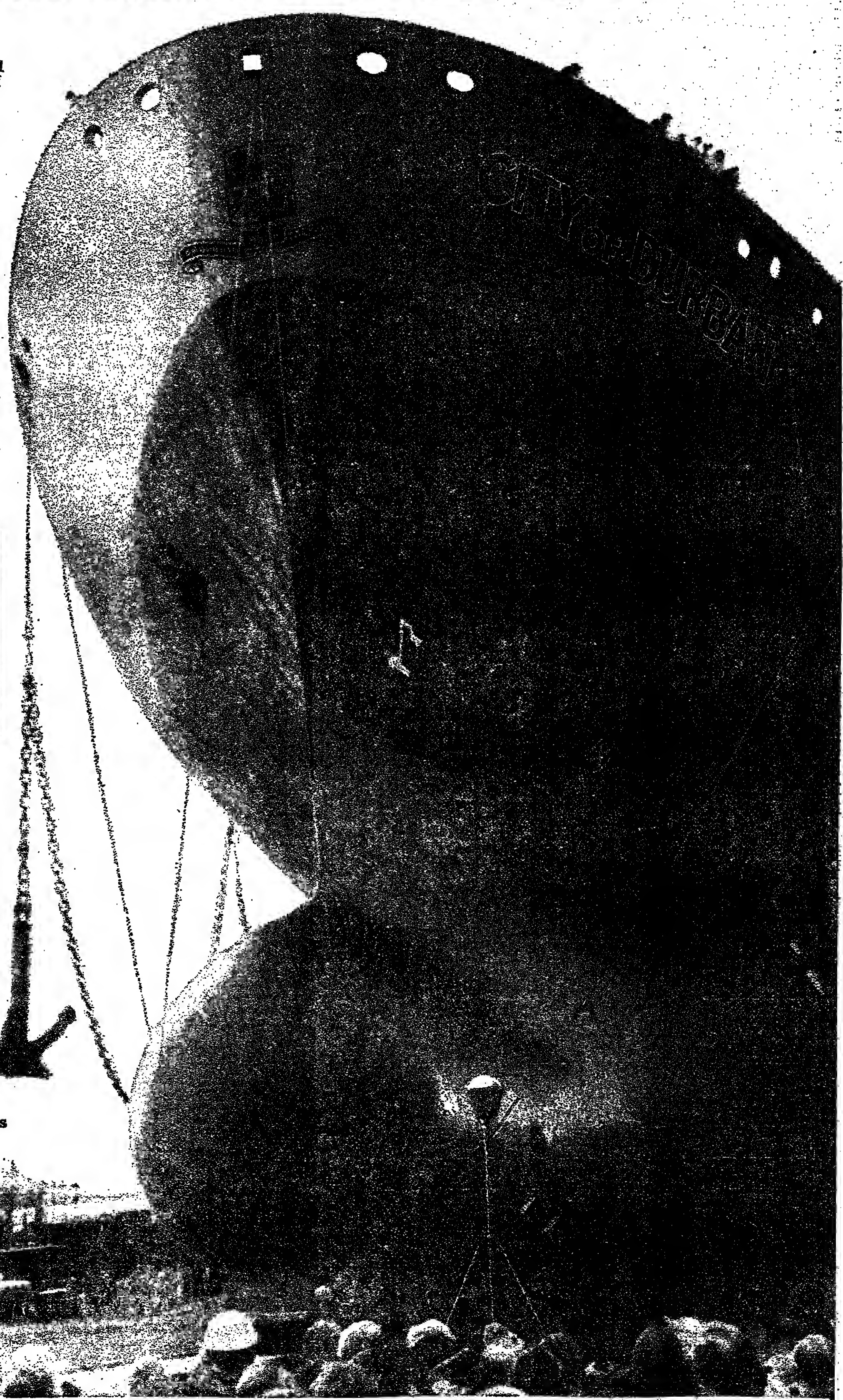
Officer, Cadet and Rating. Lounges, quiet rooms, recreation rooms and laundries etc. with the decor and furnishings designed to the highest standard.

From stem to stern the City of Durban has been purpose designed to launch EHCL into an exciting new phase of its development.



Ellerman Harrison Container Line

The winning line to & from South Africa



Handwritten text: 1000/1000

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantim, London PS4. Telex: 88241/2, 88287
Telephone: 01-245 8000

Saturday September 17 1977

That was good news week

IT IS an endearing British characteristic to be puzzled how to react to good news. Indeed the behaviour of the Financial Times Industrial Ordinary Index both indicates the improvement in our affairs and the distance there is still to go. The Index reached a high point of 549.2 on Wednesday, some 5.6 points above the previous record of May 1972. Nobody will be surprised that there has since been some profit taking and a certain relapse. A more important qualification is that the inflation is taken into account, the Index is at less than half its previous high point.

There is nothing surprising in the Stock Market reaching a new peak while output and employment are still depressed, as we were reminded by the July Production Index which also appeared this week. The Share Index is a forward looking indicator, which reflects not the immediate present but profit expectations. It is indeed one of the principal components of the Government's own composite figure of leading indicators. No lasting economic recovery is possible until there has been a recovery in profits.

Interest rates
A rise in share prices is usually more firmly based if it is accompanied by a fall in interest rates; and the Bank of England Minimum Lending Rate has fallen for the second week running to 6 per cent, compared with a crisis level of 15 per cent, nearly a year ago. Moreover in contrast to earlier cheap money episodes, the fall has not been achieved by the temporary expedient of boosting the money supply. So far this has been well under control, thanks to the buoyant gilt edged market on which the latest £500m. Government stock issue was over-subscribed.

Dilemma
The dilemma, voiced in the Bank of England Bulletin, is that if sterling is prevented from rising, control over the money supply will become more difficult. A decision to let sterling rise would have a favourable effect on actual prices, on inflationary expectations and on the degree of resistance to excessive wage claims. The main argument on the other side is that wages may react to the exchange rate only after a lag; and in the meanwhile export profit margins and employment may be upset.

The question really is whether investment, confidence and employment will benefit more from the conventional policy of trying to maintain a margin of discretion, which they did not have when overseas creditors called the tune. The August trade figures were very encouraging, not so much because of the visible surplus, which might easily have been a freak. More important was the fact that over the three months

WHEN DIFFERENCES in the Conservative Party erupt in public, it is safe to assume that the pressures below the surface are unusually intense. So it is with the "difference of emphasis" that has arisen between Sir Keith Joseph and Mr. James Prior on the Grunwick affair.

As next month's Conservative Conference now seems intent on demonstrating, the issues that underlie it are of fundamental importance to the party's future industrial relations policy, and could be critical factors in the next General Election.

As Mr. Peter Walker, the former Industry Secretary, warned this week, the question of how a Thatcher Government would get on with the unions is still a prime concern of the electorate. Mr. Edward Heath's administration fell in 1974 because the voters plumped for industrial peace rather than Tory principle; and all the indications are that the balance of electoral opinion has not yet been tipped the other way.

Even Sir Keith subscribes to the Shadow Cabinet's conclusion that after two General Election defeats, the Conservatives could not possibly enter office again to pursue another attempt to legislate for every facet of industrial relations. "The Labour Government of 1966-70 and ours of 1970-74 learned that such major changes can lead to more disharmony than they are worth," Mrs. Thatcher told Tory trade unionists last year. It was a sentiment warmly echoed by CBI leaders who are likely to reiterate it in their policy document later this year.

But among many Tories in the country and on the Commons backbenches—ironically those in general who most frequently demand less Government legislation and interference—the instinctive desire for legal curbs on the unions remains strong.

It has been nourished, in fact, by the vigorous reassertion of Tory principles that has followed the change of leadership. Some Tories have always been dogmatic in their belief that the Industrial Relations Act failed not because it went too far but because it did not go far enough. Among a far wider section, every display of labour militancy, every flexing of labour muscle, arouses an equally strident response.

Nor can it minimise the doubts now cast on the use of courts of inquiry to resolve future industrial disputes. But on both sides, the point at issue is seen as a much sharper challenge to the Party's whole approach of the past three years to industrial relations problems. Sir Keith is not only the party's industry spokesman, but has overall responsibility for policy. His intervention raises hopes in a large section of the party of a shift to a more distinctive line in which individual freedom will be given precedence over

the closed shop. Next month at Blackpool, the conference will be pressed to erect Mr. George Ward, the defiant managing director of Grunwick, as a more fitting figure of Conservatism, and to embrace his legislative stand for individual rights and freedom. Wittingly or not, this move has been encouraged and reinforced by Sir Keith's public condemnation of the Scarman Report, previously accepted by Mr. Prior, and his implied praise for the Grunwick management's role. "I think the difference between Mr. Prior and myself is only on Grunwick," Sir Keith has since added. The understatement cannot disguise even the width of that gap: between support for mediation on the one hand and the letter of the law on the other, between the acceptance of the moral compulsion of the inquiry's judgment and its dismissal as an extra-legal attempt to enforce "union dictation... the will of the lawbreakers."

His supporters, alarmed at the damage that a hard-line industrial relations policy would have on the blue-collar vote, are already rallying to his aid. Sir Keith's incursion into industrial relations, without any consultation with Mr. Prior, has caused bitter resentment: the timing of his statement just before the TUC conference has roused suspicion; and the Tories doves flutter more wildly with each ensuing personal swaying of Mr. Prior by Tory backbenchers and the National Association for Freedom who depicted him as an appeaser, prepared to achieve industrial peace for a future Conservative Government at any price.

In spite of the rumblings of anti-union feeling, the Shadow Cabinet and the party have until now overwhelmingly endorsed the Prior position. The Shadow Cabinet has spent little time in arguing about industrial relations since setting the tone of the legislation's pro-

ment was itself a confirmation of the manner in which Mr. Prior, as employment spokesman, had set about the task he had been given by the Tory leader of restoring the lines of communication with the unions. The document rejected whole-sale legislation but emphasised the party's undiminished opposition to some elements of the Labour Government's new laws. It pledged the party to amend them by voluntary agreement or, in the last resort, through Parliament.

"We believe a proper balance must be struck," the statement declared—and Mr. Prior was left to strike it between orderly industrial relations and individual freedom. Sir Keith believes that a well-run economy would provide the answer to its handling of the unions. Mr. Prior sees the only alternatives as conciliation or confrontation.

Like Lord Justice Scarman, his experience and understanding—unrivalled in the Tory hierarchy in this field—convince him that good industrial relations depend on a willingness to co-operate and compromise. Proceeding on that basis, the general judgment of leaders on both sides of industry is that he has achieved with some political skill a position which effectively reconciles the strong party feelings about personal liberty with the practical reality of the industrial scene.

The policy he has evolved on the closed shop illustrates the carefully picked outlines of compromise. Proposals to ban the closed shop are rejected not because of any lack of will to oppose them but because such a ban would be ineffective. The stance adopted on agreements will continue, he told last year's conference. "The only difference will be that we won't hear about it."

Instead, protection for individuals would be sought through a voluntary code of practice entailing the agreement of the workforce to the establishment of a closed shop, widening the grounds for exemption of individuals and providing for independent tribunals to consider appeals against compulsory union membership or exclusion on the grounds of "conscience." Only if voluntary agreements die would not be obtained would legislation be considered. A majority of the Press is regarded as a special case, perhaps that the balance of special safeguards to guarantee its freedoms. But Mr. Prior stands firmly against the hard-line demands for a general absolute legal right not to belong to a trade union.

Mrs. Thatcher's struggle to avoid the union blues

BY PHILIP RAWSTORNE



Tories with different emphases: Sir Keith Joseph (left) and Mr. James Prior.

visions and misgivings of others. Mr. Prior has placed special support firmly in Advisory Conciliation and Arbitration Service. Though doubts about its tenure, they are mutual concerns that it should be the confidence to its activity in the secure future of a Tory Government. Procedures for union action may have to be left to employers given the confidence to ACAS, he believes, other provisions which are regarded as a hindrance to industrial expansion opening of more opportunities may be changed. But the agreement of the Shadow Cabinet to wait for the evidence, the unions, Mr. Prior sees the only alternatives as conciliation or confrontation.

On the highly emotive of picketing, a Tory approach is maintained already established picketing constituted. Proposals for union would not resolve the item of enforcing it.

A code of practice

Instead, with the public opinion on this, Prior preference is for Tory discussions with the leaders, police, and compromise. Proposals to ban the closed shop are rejected not because of any lack of will to oppose them but because such a ban would be ineffective. The stance adopted on agreements will continue, he told last year's conference. "The only difference will be that we won't hear about it."

There is no guarantee that the ground being laid down will change the order will be restored, the corner of the field; but grounds for exemption of individuals and providing for independent tribunals to consider appeals against compulsory union membership or exclusion on the grounds of "conscience." Only if voluntary agreements die would not be obtained would legislation be considered. A majority of the Press is regarded as a special case, perhaps that the balance of special safeguards to guarantee its freedoms. But Mr. Prior stands firmly against the hard-line demands for a general absolute legal right not to belong to a trade union.

The official party line is set, could push the party against repeal of the Trade Union and Labour Relations Act, any reversal of "policy" and the Employment Protection Act have a damaging effect. Thatcher's chances of Downing Street.

Letters to the Editor

Ethiopia
From the Ambassador of the Somali Democratic Republic.

"Sir—Your leader article 'Ethiopia Gains More Time' (September 5) speaks of Ethiopia's success in the battle for Western Somalia which are not borne out by the facts. With most of the territory in dispute, including the strategic town of Jigjiga, firmly under the control of the Western Somalia Liberation Front, one is forced to look hard for evidence of Ethiopian victories.

Also the remarks that "For most of the outside world the Somali conflict is a serious embarrassment" is not only superfluous but is clearly based on a misconception of the realities of the situation. First, it ignores the fact that Somalia's relations with other Arab States are governed by common historical and national considerations rather than by such political and ideological labels as the media find it now and then to attach to this or that Arab country.

Secondly, the article oversimplifies the problem and therefore makes the issues at stake all the more difficult to understand. It speaks of a "Somali territorial claim" when in fact the conflict is between a colonial power, non-European though it is, and a people who are struggling to liberate themselves and restore their freedom and dignity. In the circumstances the often quoted OAU Resolution cannot serve as an alibi for Ethiopian colonialism as it was specifically meant to cover ex-colonial frontiers—not areas still to be liberated such as Zimbabwe, Namibia and Western Somalia.

Ahmed Mohamed Adan, Ambassador, 60 Portland Place, W.1.

Spare parts
From Mr. H. Clarke.
Sir—It isn't only fleet operators who want uncomplicated, easy-to-maintain motor cars. The private owner who must keep his vehicle on the road every day and can't afford garage charges or a multiplicity of

special tools is in the same category and buys accordingly. It's no good manufacturers advertising fuel economy, for example, when the drive shaft on their vehicle needs to be replaced (at £50) because a piece of moulded-in rubber has split or a universal joint (that cannot be renewed, even greased) has worn badly (for want of greasing): £50 buys a lot of fuel.

And you can own drive the new Mini to a garage 50 miles or so away, whereas you could drive the old one for 30,000 on the spare the new one does without. Who are they making cars for, exactly? The ancillary owners?

Dare one mention the need for starting handles for all those inline engines they're still turning? How did they get that when they did away with them? H. Clarke, 2 Funnell Ave., St. Leonards, Bournemouth.

Cricket
From Mr. A. H. Brewin.
Sir—Trevor Bailey's reports—whether on cricket or football—are always worth reading and to-day's (September 13) cricket article is no exception. But he does not mention what seems understood, it speaks of the most striking feature of this year's County Championship. Out of 22 matches played Lancashire achieved 16 drawn games. Too many conferences? Arthur Brewin, 14b, Wedderburn Road, N.W.3.

Iron bridges
From Mr. M. Plesch.
Sir—May I amend Sylvia Nickels' Saturday article (September 10)? The world's first iron bridge is not in Shropshire but in China. The existence of forged iron-chain suspension bridges carrying a wooden deck is well documented from the 7th century AD, and there is evidence to suggest that they were being built even in the 1st century AD. Please see Sir Joseph Needham's "Science and Civilisation in China," volume XI, for confirmation.

The importance of the Shropshire iron bridge is that the cost of building it did not ruin the private owner who must keep his vehicle on the road every day and can't afford garage charges or a multiplicity of

the Industrial Revolution in that it fulfilled a need cheaply by using mass-production techniques and materials. Matthew Plesch, 25, Victoria Road, Whalley Range, Manchester.

Telephones
From Mr. J. P. Hodgson.
Sir—The GPO are shortly to deduct about £7 from every telephone subscriber's account in order to repay £110m. excess profit.
What a dreary idea! No one will get any real joy out of the fact that one of their telephone accounts is £7 less than it might have been. The GPO could use their computers and pick 110,000 subscribers' names at random and give each of them £1,000 worth of premium bonds.

that all plugs will have to be individually wired back to the distribution board. It is also wrong to say that they will be unbuffered or that the system will be less safe than the existing system.

The indications are that the proposed system will be no more costly than the existing system and will be a boon to many of the advantages of the proposed system.

Finally, the system would only have to go into new premises, or into old premises needing a new installation. The general process would be gradual as was the conversion from 15 amp to 13 amp. And there are now (30 years after the 13 amp system was approved) still many 15 amp circuits still in existence.

Let us keep the proposal in perspective. J. E. Roper, 34, Palace Court, W.2.

Liberals
From Mr. G. D. Dyke.
Sir—The endless songs of praise in tribute to two years' restraint by the Trade Unionists are tedious to say the least. The fact is it is the unemployed and the fear of unemployment, plus the benefits of North Sea oil that are seeing this country through its financial difficulties. In fact, without North Sea oil our economic circumstances would be precarious to say the least.

The Liberals, who claim their support for the Government is essential to the country's economic security, must acknowledge this as so at their coming party conference. They might also note the moderate element in the Labour Party, now by taking on the Liberal mantle. Nationalisation is giving way to the public corporation, workers participation is now their party policy and many other reforms advocated by the Liberal Party are being embraced.

For the true Liberal this does not matter for it is the conduct of the Labour Party is allied to the concept of the corporate state presided over by the Government, the TUC and the major public and private corporations. This is totally alien to a truly

Liberal political structure, as much so as is the Politburo or any would-be government constructed by the National Front.

Most serious however is the fact no progressive party or person can long survive under the umbrella of patronage and affable tolerance such as the Liberal Party has secured from its part of the bargain. In the process it is slowly being chewed into little pieces by the present Government and when, as will happen, the Liberals no longer nourish its aspirations they will be spat upon the ground and trampled under foot.

If this alliance is not broken at the Party Conference all present may as well pack up and go their separate ways, right or left, every man to his own choice. The resultant political polarisation will be sad to say the least. E. D. Dyke, 173, Northdown Road, Margate, Kent.

Gatwick
From Mr. A. H. Scott.
Sir—The argument about secondary services from Gatwick to the Continent and their effect on Heathrow services seems to have as much strength as argument against increased services from Birmingham, which, incidentally goes along with East Midlands not very far away. Heathrow is getting overcrowded as it is.

Not everyone travels from central London and the rest do not want to go near it if they can avoid it. You report that it is planned by British Rail that express services from places along the populous south coast from Hastings to Portsmouth will, from May 8, 1978, call at Gatwick. Ask any people living in these places whether Heathrow will please them better. They would possibly be in Frankfurt by the time they would be at Heathrow and somewhat better off financially.

Gatwick airlines should take heart from this development and scratch backs with BR over publicity. A. H. Scott, Beeches Road, Chelmsford, Essex.

PROPERTY GROWTH ASSURANCE
A member of the Phoenix Group

How to get your own back when you retire
As a Director or Executive you'll know how punitive taxation is for high income earners. But its effect can be lessened. Under present pensions legislation your company can give from pre-tax profits for your personal benefit. Based on a range of specialised tax-exempt Funds, Property Growth have devised the Directors' & Executives' Plan '100' to take maximum advantage of current tax concessions. It offers you a choice of a large tax-free cash sum on retirement; a fixed or growing lifetime income; or a combination, both—plus further valuable options for the benefit of dependants. It's a great way to convert current tax concessions to your advantage later.

Tarmac 8% ahead sees £12m. profit

A £12m. provision against existing and potential losses by subsidiary Cubitts Nigeria is expected to be made by Tarmac for 1977 and 1978.

Excluding the results of this group shows an 8 per cent rise in pre-tax profit from £9.24m. to £9.97m. after interest on increased borrowings, up at £2.5m. against £1.6m. for the first half of 1977.

The serious situation in Nigeria came to light as a result of U.K. management investigation into the affairs of the subsidiary of which the group became majority shareholder following the acquisition of Holland, Hannen & Cubitts in September 1976. Mr. Robin Martin, the chairman, told members in his interim report.

The company carried out general building and civil engineering work largely in the north-western part of Nigeria. The major part of the losses relates to two large contracts for the Nigerian Government.

Tarmac's investigations have indicated that the basis of valuation, hitherto adopted for the larger of these contracts, is substantially at variance with the client's present basis of payment. The contractual position is under examination and steps are being taken to re-construct the dispute. There is also met with the possibility for recovery on some other contracts but it is not possible to quantify either the amount or timing of any future improvements, Mr. Martin explains in his report.

Mr. Martin said afterwards that the contracts had been entered into before the Tarmac takeover. A decision on which Tarmac still to be taken in a matter between £1.5m. and £2m.

The bigger of the two contracts is for a contract to build an airfield at Volta, priced at some £33m., which was started almost a year before the takeover. Some £2m. in 1977 of the estimated losses, a few months before the takeover, and no recoveries are expected on this, other than by way of increased efficiency.

The majority of the group's businesses, particularly those in the U.K., are in a difficult market conditions, and

Overseas results in the interim report were slightly lower. These divisions were affected by the early part of the year. The net profit for the group was £1.5m. (1976) and £1.5m. (1977). The net profit for the group was £1.5m. (1976) and £1.5m. (1977).

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Mr. Barrie Heath, chairman of Guest Keen and Nettlefolds.

JFB on target with over £11m.

REFLECTING GREATER efficiency and the benefit of widespread capital spending, JFB and Johnson & Firth Brown contributed to pre-tax profit for the year to June 30, 1977, which, as forecast, expanded to a record £11.12m. from £9.72m. in 1976. Yearly turnover improved from £36.58m. to £47.29m.

At halfway the profit advance was from £5m. to £1.50m. Earnings per 10p share for the year rose from 20.7p to 35.9p and the dividend is stepped up from 2.75p to 3.00p with a final payment of 2.44p net. £2.62m. Tax took £1.65m. (£1.34m.) leaving the net balance up from £1.38m. to £2.42m. This figure would have been reduced by £1.12m. if the provision made for deferred tax as in the previous year. Comparisons have been restated to exclude the charge of £59,000 made in that year.

At half-time, when group profit was ahead from £2.39m. to £3.56m., the directors said trading conditions were slack.

Now Mr. J. J. Clay, the chairman, says that the company has continued to plough back profits in plant and equipment and is well placed to gain from any upturn in economic activity.

However, he warns that, if inflation is not checked, capital spending—which totalled £9.7m. (£5.8m.) in 1976-77—will have to be curtailed. In the meantime, the company's industrial relations, placing very severe strains on the company's industrial relations.

Considerable progress has already been made in assimilating the new group and he is confident this situation will prove most beneficial, he adds.

Stated earnings per 25p share were 16.5p (8.5p) basic, and 14.1p (8.5p) fully diluted. The net total dividend is 11.12p (4.22p) (£5.252p) with a final 2.921p.

At June 30, 1977, including the assets of BRC, net assets per share were 86p (81p) basic and 85p (80p) fully diluted. Dividend in drafts were up from £5.2m. to £13.67m. and cash and bank balances totalled £0.43m. (£0.59m.).

The company has adopted the proposed ED10 in the treatment of deferred tax.

Had it not been for the three-week strike at Johnson Brown which cost the group £1m, Johnson and Firth Brown's results would have been comfortably above the industry average. The net profit emerged at £2.716 (£2.472) for the year. Turnover for the first six months was ahead £0.44m. to £2.99m. and after tax £102,924 (£92,564) net profit emerged at £2,716 (£2,472).

The net interim dividend is stepped up to 2.5p (1.15p) per 25p share and is in line with the 2p total forecast at the time of the annual general meeting. A bid by Clyde Petroleum last year, payments totalled 2.26p.

The company's activities include vehicle distribution, road transport, ship repairing and ship building.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total last year	Total this year
Abnord Machine	0.25	—	0.25	0.25	0.25
Broadway Lime	1.5	—	1.5	1.5	1.5
Goodman Bros.	1.12	—	1.12	1.12	1.12
G.K.N.	10.51	Jan. 3	4.04	12.45	12.45
Johnson & Firth	12.96	Jan. 14	2.95	14.26	3.88
Lep	2.44	—	2.12	3.09	2.77
Lyon and Lyon	0.58	Oct. 14	1.13	—	2.36
Geo. Oliver (Footwear) Int.	2.5	Oct. 26	0.58	—	1.88
Tarmac	3.27	Nov. 10	22.32	—	23.93
Woolf Walkers	1.11	—	1.75	Nil	1.75
Wood Bastow	2.25	Nov. 9	2.8	4.22	3.3

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Net of tax at 33 per cent.

Geo. Oliver midway setback

Reflecting the lack of demand for his special machinery, Geo. Oliver (Footwear) announces profits down from £173,541 to £37,140 for the first half of 1977, subject to tax of £19,000 against £178,946. The interim dividend is held at 1.5p per 25p share—last year's total was 5.33p from profits of £689,000.

Improvement from £372,812 to £390,678. Turnover rose from £1.35m. to £1.38m. After tax £303,151 (£193,586) net profit came out at £167,525 against £178,946. The interim dividend is held at 1.5p per 25p share—last year's total was 5.33p from profits of £689,000.

Advance by Bifurcated Engineering

GROUP TURNOVER for the first half of 1977 at Bifurcated Engineering rose from £1,422,910 to £1,578,700, and pre-tax profits advanced from £563,000 to £785,000.

Mr. J. M. Paterson, the chairman, said that the company is making a continuing improvement in productivity and the major factors in achieving the results.

These conditions are being maintained, he tells members, and second-half results should be at a similar level. Profits for all 1976 came to £1,142m. on turnover of £9.4m.

First-half earnings are shown to be £1.57m. on turnover of £1.58m. and the interim dividend is lifted from 1p to 1.1p net. Last year's final was 2.025p and an additional payment of 0.052p is now declared following the reduction of ACT. A one-for-one scrip issue is also proposed.

George Oliver's dramatic profits collapse bears not the sale price of the high street footwear chain this summer. Sales only managed to match last year's £273,000, and the lack of a defined fashion this year further aggravated the situation. Gross selling margins were held, but at the pre-tax level the return is down from 5.3 to 1.1 per cent. However, the autumn season is completely different, with sales once again moving ahead and profits showing recovery. But the major factor for Oliver is the Christmas sales period and on that point the price is not hazy at a guess, but it seems a fair bet that second half profits will be hard pushed to match last year's £273,000 unless Christmas sales are exceptional. The shares held steady at 50p yesterday, but the market was anticipating poor figures and they have been trading below their 50p level. The price still looks a bit vulnerable but the prospective yield of 9.7 per cent. should act as a reasonable prop.

Bredon Lime

For the half year ended July 31, 1977, profits of Bredon and Cloed Hill Lime Works showed a small

Lep jumps £1.35m. to top £4m.

As forecast at the interim stage second half pre-tax profits of Lep Group exceeded those of the first and the full year figures finished ahead from £2.72m. to £4.07m. Yearly turnover improved from £36.58m. to £47.29m.

At halfway the profit advance was from £1m. to £1.50m. Earnings per 10p share for the year rose from 20.7p to 35.9p and the dividend is stepped up from 2.75p to 3.00p with a final payment of 2.44p net. £2.62m. Tax took £1.65m. (£1.34m.) leaving the net balance up from £1.38m. to £2.42m. This figure would have been reduced by £1.12m. if the provision made for deferred tax as in the previous year. Comparisons have been restated to exclude the charge of £59,000 made in that year.

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However, he warns that, if inflation is not checked, capital spending—which totalled £9.7m. (£5.8m.) in 1976-77—will have to be curtailed. In the meantime, the company's industrial relations, placing very severe strains on the company's industrial relations.

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Expansion for Lyon & Lyon

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Downturn by Francis Shaw

As expected pre-tax profits of Francis Shaw and Company were lower for the first half of 1977 at £194,819 against £158,290, but the directors say that if plans for

Short tap

The application list opens next Thursday for the issue of £800m. of 81 per cent. Treasury stock.

Mitchell Somers

A suggestion by a shareholder of Mitchell Somers, a consortium of 21.7 per cent. stake held in the group by Johnson and Firth

Allied Investments problems in ME

ALLIED INVESTMENTS, the nursing homes and medical supplies group which is a fast-growing business in the Arab world, has experienced certain delays in receiving payments of the kind often associated with doing business in the Middle East. It is thought to have some firm of debts currently owing from that area.

However, one of the company's large shareholders, the big United Bank, is understood to have made adequate funds available to Allied to cover any additional needs. By no means all the facility from this source has been used.

There have also been certain problems about valuations of assets in the Middle East. But Dr. Michael Sinclair, Allied's managing director, said yesterday that they were confined after further examination, that they had made a conservative valuation.

The company's results for the year to April 30, 1977, are now expected at about the end of this month, some five weeks later than last year, and the subsequent accounts are expected to contain a reference to the amount owing from overseas. But the company appears confident that what is due will be paid.

Orion Bank has a share stake of some 16 per cent., and Commercial Union Assurance has a 10 per cent. stake. Mr. Christopher Chataway, a former industry Minister, represents Orion on the

Wood Bastow falls to £0.6m.

ON TURNOVER up from £3.34m. to £12,044m. profits of Wood Bastow Holdings fell from £740,000 to £210,000 for the 53 weeks to July 2, 1977, before a tax credit of £141,000 against a £586,000 charge.

The directors state that a substantial relief for stock appreciation and capital expenditure has given rise to the tax credit. The group accounting policy has been changed in accordance with ED10 and as a result no provision has been made for deferred tax.

A final dividend of 2.215p net makes the maximum permitted total of 4.218p (3.802p). Earnings per 20p share are given as 26.7p (14.5p) and net assets as 1.06p per share at July 2.

At midway, a substantial increase in the cost of raw materials resulted in profits declined from £253,000 to £249,000.

The company's manufacture foundation garments, underwear, outerwear and swimwear.

Goodman Bros. rises to peak £0.47m.

PROFITS of women's clothing manufacturers, Goodman Brothers and Stockman rose from £439,619 to a record £472,795 for the year to April 30, 1977, before tax of £421,500 against £211,603. Turnover was ahead £0.83m. to £9.33m.

Stated earnings per 5p share increased from 3.059p to 3.489p and the dividend is lifted to 1.119p (£179,700). A one-for-two scrip issue is proposed.

Tyndall Pensions

Tyndall Pensions, a member of the Tyndall Group, is drawing the attention of the self-employed Personal Pension Plan. This enables the self-employed and others in non-pensionable employment to make their own pension provision in the most tax-efficient manner.

The self-employed will get making the new state pension scheme due to come into operation next April and have to make their own arrangements if they want a decent level of pension. A pension contract with a life company is the best way of doing this as premiums get tax relief at the investor's top rate. The Tyndall Personal Pension Plan is one such contract and the manager points out that it is never too late to start.

M. & G. FUNDS

The M. & G. Group is offering investors this week-end the M. & G. Recovery Fund. This fund aims at capital appreciation by investing in companies whose share prices are depressed but which have good recovery prospects. A lump sum investment (minimum £500) or make regular monthly savings through a life assurance contract, where the minimum monthly premium is £10. The fund is also offering investors' attention to the M. & G. Index-Linked Bonds, under which a lump sum investment is made sufficient to pay the £20 per month maximum outlay on the SAYE Index-Linked savings contract.

Investors seeking income should be attracted to the M. & G. Recovery Fund with its rise of 88 per cent. to the end of August. The fund has a long track record, over the longer term, thereby justifying the third compound interest management. The fund's capital growth by investing in this policy is shown by companies with good recovery prospects. The fund however is £11m. at the end of August.

Results due next week

Mid September is traditionally thick with companies reporting on their half-time performance to date and this week is no exception. There is plenty of interest in the figures which include Rio Tinto Zinc, United Biscuits and Rowntree Macintosh, Dunlop, Vickers, and Bank of Scotland.

Analysts are leaving a lot of leeway in their forecasts for Rio Tinto Zinc whose interim figures should be published in Wednesday. Strong growth is expected for the year, notwithstanding the poorer returns from the copper interests where lower first-half profits have already been revealed from Rhodessa, Bougainville and Lornax. In the first half better metal prices will have benefited lead, aluminium and tin divisions. In the second half metal prices have already declined and the wide range of forecasts is probably explained by differences in the way the metals are weighted against the fall. Consequently some analysts are going for 25 per cent. growth on last year's £31m. Interim profits while others are looking for more like 40 per cent., giving a range between £100m. and £112m.

The market is being very cautious in its forecasts of half-time growth at United Biscuits whose interim figures should be published on Monday. Most estimates are in the £10m. to £11m. range compared with £15m. last year. The factors which have given rise to the caution are some doubts as to whether margins have really started to move ahead again and whether margins have been sustained given the fairly flat demand and the drift towards sweet biscuits. However, chocolate biscuit sales may have remained steady and margins have also held up as some commentators think. £18m. may be closer to the mark.

Rowntree Macintosh's heavy seasonal bias towards the second half, which produced full-year profits of £21m. last year after only £9m. in the first half, frequently catches the market on the hop with over-optimistic first half forecasts. So the more cautious beliefs that the top end of the range of estimates for this half—£11m. to £12m.—is likely to be too high. In the main though the trends suggest that the bottom of the range is within reach. Chocolate volume appears to have recovered and the company's statement that its 1977 cost requirements are "satisfactorily covered" is good news. Still, with price inflation of the order of 21 per cent., interest charges must have risen in line with total costs, so it remains around £27m. for the year. Last year, Vickers reported interim profits of £14.5m. and full year profits of £38.3m. Including four months of BAC earnings pre-tax profits for the first half could rise to £16.5m.

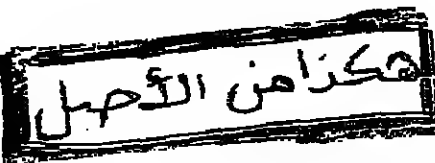
Whatever Bank of Scotland figures in the way of interim figures on Tuesday it will surprise analysts. There is a general consensus that retail banking will have shown a fairly sharp decline in profits but the question is whether this will have been offset by merchant banking and ELP. However, which has been doing well and by lower debt provisions. There are those who think it won't have been and they are going for a shade down on last year's £11.3m. for the period. Others think it may just have been and are going for around £11.5m. to £12m. But there is one analyst who is looking for strong growth from N.W. Securities to push pre-tax profits up to nearly £13m.

In a busy week for company results other companies to note include Eagle Star Insurance, Prudential Assurance, Bowring and Delta Metal, all of whom will be reporting on first half performance. There will also be full year figures from Arthur Bell.

Company	Announced	Last year	This year	Company	Announced	Last year	This year	
Arthur Bell	Thursday	0.61	1.163	0.73	Kleinwort, Benson, Langdale	Thursday	2.31	2.18
Arthur Bell and Sons	Wednesday	2.57	2.14	—	Lep	Thursday	1.0	1.317
Chambers and Farquar	Monday	Nil	Nil	—	London & Scottish Investments	Monday	1.65	2.173
Dowling and Mills	Thursday	0.43	0.311	0.493	Liberty and Co.	Tuesday	9.2	31.0
F. and C. Brunner	Monday	0.8	0.8	—	Richard Matthews	Tuesday	3.3	4.75
Fraser & Neave	Monday	1.33	1.278	1.34	Richmond	Monday	1.4	1.4
H. Henshall and Sons (Aldershot)	Monday	0.162	0.28	—	Rio Tinto Zinc Holdings	Tuesday	2.09	2.119
Jentico (Holdings)	Monday	0.13	0.29	0.248	Rowntree Macintosh	Monday	Nil	Nil
Muir River Rubber Co.	Thursday	—	1.35	—	United Biscuits	Monday	1.1	1.1
Richard and Co. Engineers (1927)	Tuesday	1.875	2.575	2.575	Woolf Walkers	Tuesday	1.9	1.82
Richardson & Sons	Monday	0.82	0.82	—	Wood Bastow	Monday	1.5	1.814
George H. Scott and Co.	Thursday	0.623	0.179	0.423	Woolf Walkers	Tuesday	1.5	1.814
Wades Department Stores	Friday	0.18	0.36	0.168	Woolf Walkers	Tuesday	1.5	1.814
Thomas Walker	Friday	0.18	0.36	0.168	Woolf Walkers	Tuesday	1.5	1.814
Wentminster and Country Properties	Wednesday	—	—	—	Woolf Walkers	Tuesday	1.5	1.814
Zetters Group	Wednesday	—	1.441	—	Woolf Walkers	Tuesday	1.5	1.814

Company	Announced	Last year	This year	Company	Announced	Last year	This year	
Bank of Scotland	Tuesday	4.47	4.834	—	Woolf Walkers	Tuesday	1.5	1.814
Brenner Corporation	Wednesday	1.57	1.47	—	Woolf Walkers	Tuesday	1.5	1.814
Sedgwick International	Tuesday	0.67	0.67	—	Woolf Walkers	Tuesday	1.5	1.814
C. T. Swire and Co.	Thursday	0.310	1.678	—	Woolf Walkers	Tuesday	1.5	1.814
British Petroleum	Thursday	1.17	2.18					

MARY OF THE WEEK'S COMPANY NEWS



bids and mergers

erries disclosed last week that a couple of months 4.99 per cent stake in the big Furness Withy and had approached the latter with a view to possibility of a merger between the two companies, approach was rejected because Furness Withy could be in the merger.

International, a wholly-owned subsidiary of Saira New York, is negotiating the purchase of the Ferro Metal and Chemical not already owned, Ferro were halted at 43p pending the outcome

on the terms of a possible merger between d Blagden and Noakes lifted both share prices and the announcement that bid talks were in may also be on the way for Supara Investments, talks with an undisclosed suitor, and Rajawalla gs, which is in discussion with a major share- dez and Co. (U.K.).

Table with columns: Value of bid per share, Price before bid, Value of bid, Bidder, Final date

Table with columns: Company bid for, Value of bid per share, Price before bid, Value of bid, Bidder, Final date

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 12/9/77. †† At suspension. ††† Bid.

Offers for sale, placings and introductions

Treasury Stock: £1,000m. of 12 per cent. Treasury stock 1995 at 196.50 per cent.

Rights Issues

United Gas Industries: Two-for-seven at 45p each.

Wagon Finance Corporation: One-for-six at 70p each.

Scrip Issue

AAR: One-for-one.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends, Final date

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends

THARSIS ARSIS SULPHUR & COPPER CO LTD INTERIM STATEMENT Six months ended 30th June, 1977

Table with columns: 6 months to 30.6.77, 6 months to 30.6.76, Year 1976

man's Review for the year 1976 a profit before tax was reported. The profit for the first six months added before tax has amounted to £495,975. This in the profit takes into account the increase in price of pyrites of 178.50 pesetas per tonne granted 1977 and higher sales, tonnage to the Spanish through the export tonnage was maintained, a price was suffered mainly due to the drop in the price on the international market. We expect similar prevail during the second half of 1977.

peseta was devalued in July 1977 and consequently effect on the accounts for the first half of 1977, remembered since most of the current assets are located in Spain and based on pesetas, an in the sterling accounts will have to be reflected in 1977.

orted in my review, work is continuing on the implementation of the Proposal to comply with the s of the new Spanish Mining Law and as soon as is available shareholders will be kept fully ad any necessary approvals will be sought.

JAMES C. ROBERTSON, Chairman.

Self employed and out to retire? There's a once-in-a-lifetime opportunity

Tyndall Personal Pension Plan

BIDS AND DEALS

Unilever bid unlikely yet

BY STEWART FLEMING NEW YORK, Sept. 16.

With the chairman of Unilever, Sir David Orr, at a conference in California and the finance director in Italy, it seemed clear tonight that the approach to Gerber Products was unlikely to lead to a quick Unilever bid for the American food company.

Unilever was not willing to comment yesterday on Gerber's confirmation that it had received an approach from the Anglo-Dutch food to detergent group. It has, however, been known for some time that Unilever is disinterested with its existing American interests.

According to Gerber, Unilever's initial approach in April came via the company's respective investment bankers. Gerber says that the Lazard Freres in New York, acting for Unilever, approached Goldman Sachs about a possible merger of the two companies.

Goldman Sachs has had negotiations with Unilever or Lazard's and none are planned at present.

Gerber is currently defending itself against a takeover bid from Anderson Clayton, a Houston-based food group which in April announced that it was ready to make a \$320m. offer. It subsequently lowered the terms of its proposal to \$300m.

Gerber has taken the issue to court—an increasing common practice in U.S. bid situations—arguing that a merger with Anderson Clayton could raise anti-trust issues and asking the Court to order fuller disclosure by Anderson Clayton of its securities dealings.

For Unilever, Gerber could present an attractive and profitable partner to expand its U.S. business since it does not itself have baby food interests.

The suspicion on Wall Street, however, is that Gerber would like to remain independent and is not anxious to join with either company.

RICHARD GARRETT Richard Garrett Engineering of Leiston, Suffolk, purchased the injection moulding machinery business of Turner Machinery of Bramley, Leeds. Garrett, part of the 'Beys' Peacock Group which was acquired last year by National

COMPANY NOTICE 117 GROUP FUND

117 GROUP FUND

YES, FT 540! BUT WHEN SHOULD I SELL MY SHARES?

The latest issue of the FLEET STREET LETTER, Britain's oldest newsletter, contains a long list of "sell" recommendations for subscribers. Not necessarily on shares in general—we still believe they have some way to go. But where FSL recommended purchases which have more than doubled in the last few months, now is a good time to take some profits. That's what it's all about... converting paper gains into real profits.

With each issue, FSL subscribers receive a complete, exclusive company analysis recommending just one share. Just complete and return the attached coupon and we will send you a FREE COPY of this latest issue of the FLEET STREET LETTER... no obligation, of course.

Form with fields: Name, Address, Please send me FREE copy of FSL.

Redfearn defence forecasts

Redfearn National Glass 1973 of India and it is proposed that those undertakings should be merged by a scheme of arrangement.

Board of Jevons Cooper says it is looking for a profit of not less than £25,000 for the year ending October 31, 1977.

CRODA Croda International is making an offer through its wholly-owned Australian subsidiary Southern Cross Investments to acquire the equity of Croda Australia Group not already owned.

TEA MERGER The Indian undertakings of Assam Doors Holdings and Western Doors Holdings are required to comply with the Foreign Exchange Regulation Act

JOHNSON & BARNES Grand Central Investment Holdings, a rubber and tea plantations group with extensive interests in Sri Lanka, has bought a 29.9 per cent stake in Johnson and Barnes, makers of knitted outerwear. The holding offer is made that it will "be as much as the recently increased interest in J and B. Ordinary shares ended yesterday at 57.000-share block, making 10p higher at 145p and the "A" up the 29.9 per cent, stake, was sold by Mr. Leroer at a price of 14 1/2p per share.

RANK LEISURE Rank Leisure Services has acquired the assets of Kirby House Investments, involving ten discotheques and clubs situated mainly in the north of England.

Approach to Dorman Smith Dorman Smith Holdings, the electrical engineers, has issued a statement to the effect that an approach has been made to the company that could lead to a takeover bid.

INCOME + GROWTH

9.2%*

with the ARBUTHNOT HIGH INCOME FUND

"The track record in both income and capital is excellent."

- The objective is initial high income plus income and capital growth in the longer term. Over 90% of the portfolio is invested in equities for growth prospects, under 10% is invested in preference shares to provide stability of income. This Fund now exceeds £5 1/2 million.

The price of units, and the income from them, may go down as well as up. Your investment should be regarded as long term.

Fixed price offer until 5 pm September 23, 1977 at 42.5p per unit for income units and 55.5p per unit for accumulation units (or the daily prices if lower).

The Managers reserve the right to close this offer should the value of units rise by more than 23%.

Applications will be acknowledged, and unit certificates will be issued within 35 days. The offer price includes an initial charge of 5%. The annual charge is 1% of the net asset value of the unit. Half yearly distributions net of basic rate tax, are made on 15th February and 15th August for those registered on 31st December and 20th June respectively. After the close of this offer units may be purchased daily, when units can also be sold back. You will receive their cash value within a few days of your receipt of your renounced certificate. The daily price and yield appear in most leading newspapers. A commission of 1% will be paid to recognised agents. This offer is not open to residents of The Republic of Ireland, Trustee: The Royal Bank of Scotland Ltd, Managers: Arbuthnot Securities Ltd, (Reg. in Edinburgh 46634) Members of the Unit Trust Association.

To: Arbuthnot Securities Ltd., 37 Queen St., London EC4R 1BY or phone: 01-236 5281.

Directors: Sir Trevor Dawson Bt. (Chairman), M. G. Barrett (Managing), A. Pickles, O.B.E., J.P., A.R.C. Arbuthnot, C. D. Lawton, F.C.A., M. P. Renton, Prof. R. Smith, B.A., M.Sc., Ph.D. (Econ.), P. Ashley Miller, F.C.A.

Signature(s), Joint applicants, all must sign. State Mr/Mrs/Ms or Titles and Forenames. Full Name(s), Address(es).

ARBUTHNOT Established 1833

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Off 4 on economic fears

BY OUR WALL STREET CORRESPONDENT

THE RECENT rally was halted on Wall Street today when generally lower levels developed after investors were reluctant to take any longer-term risks in the face of economic uncertainties.

The Dow Jones Industrial Average finished 3.98 down at 856.81, for a net loss of 0.39 on the week, while the NYSE All Common Index, at 632.79, shed 13.15 to reduce its rise on the week to 3 cents. Declines led gains by 715 to 641, while the volume was 18.3m. (18.23m.) shares.

Many investors were concerned about rising U.S. interest rates and the country's economic outlook despite reassurances from some businessmen and Carter Administration officials that a recession isn't developing.

A bank prime rate increase to 7 1/2 per cent, from the 7 per cent spread throughout the U.S. banking industry today.

Also in the economic news, U.S. Retail Sales fell by 1.8 per cent last week from the previous week.

OTHER MARKETS

Canada again mixed

Canadian Stock Markets remained irregular in active trading yesterday.

The Toronto Composite Index shed 1.0 to 1003.2, while Metals and Minerals declined 4.8 to 923.0.

BRUSSELS - Mixed in quiet trading.

Also in the economic news, U.S. Retail Sales fell by 1.8 per cent last week from the previous week.

NEW YORK, Sept. 16

MILAN - Stocks firmed over a broad front in increased trading. Recent Government measures to help the economy and investment, as well as prime rate and bank rate interest reductions, spurred interest.

VIENNA - Steadier than of late.

JOHANNESBURG - Gold shares above the worst on higher bulling indications and London buying.

TOKYO - Slightly higher. Volume 250m. Shares.

OSLO - Bankings, Insurances and Industrials easier, Shippings quietly steady.

SPAIN - Market eased, with operators more concerned by rise in France's trade deficit and increasing unemployment than encouraged by a possible split in the Left-Wing alliance.

FRANCE - Mixed in quiet trading.

Also in the economic news, U.S. Retail Sales fell by 1.8 per cent last week from the previous week.

OVERSEAS SHARE INFORMATION

Table with multiple columns for various international stock markets including New York, London, Paris, Australia, Tokyo, etc. Columns include Stock, Price, Change, etc.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones indices for various sectors like Industrial, Finance, Transport, etc. with columns for Sept 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

STANDARD AND POORS

Table showing Standard and Poors indices for various sectors like Industrials, Composites, etc. with columns for Sept 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

F.T. CROSSWORD PUZZLE No. 3469

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, E.C4P 4BY. Winners and solution will be given next Saturday.

Crossword puzzle grid with numbers 1-30 and clues for Across and Down.

SOLUTION AND WINNERS OF PUZZLE No. 3468

Following are the winners of last Saturday's puzzle: Miss K. Pilborough, 12 Sketty Park Close, Sketty, Swansea, W. Glamorgan.

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Formidable's form looks impressive

DESPITE a small field of six runners, today's Group Two Mill Reef Stakes at Newbury is potentially an intriguing race with Tumbledownwind, Aythorpe and Formidable likely to dominate the betting.

Although he put up a brave effort when he wore down Aythorpe on soft ground in the Gimcrack at York, Tumbledownwind has great strength in depth among his juvenile team, though no difficulty in completing a hat-trick at Doncaster last week.

Pat Eddery's mount, who impresses work watchers at Lambourn, receives 4 lb from Tumbledownwind and that advantage could tip the scales in his favour.

Of the remainder I have most regard for Soldier's Point who has not quite lived up to his formidable early season reputation which encouraged a number of backers to back him ante-post for next year's 2,000 Guineas and Derby.

If April 12 is to retain her position as market leader for the Irish Sweeps Cambridgehire the first of next month she must justify favouritism in the Peter Hastings Stakes an hour before the Mill Reef.

I expect her to do just that for, with the exception of Danish King from whom she receives 13 lb, the opposition appears far from strong.

In the afternoon's most open race the £10,000 renewal of the Joe Coral Newbury Autumn Cup, it may pay backers to take an off day when heaten a long way out in York's Melrose Handicap.

The particularly attractive feature of a getting-out being King Alfred, Forli colt chosen by Peter St. Alaph, could fit the bill in the Harwell Maiden Stakes.

Shareholders 12 - 3

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bley Stadium deputy chairman

...a director of UM, has been chairman. Mr. C. A. Weizel has been appointed secretary of CHAMBERLAIN GROUP...

LAND GROUP and managing director of MANDARIN INTERNATIONAL HOTELS from November 1. He will succeed Mr. Mollan Cunlough...

FACTS AND TENDERS

REPUBLIC OF ARGENTINA

TREASURY DEPARTMENT ARGENTINE GOVERNMENT OILFIELDS YACIMIENTOS PETROLIFEROS FISCALES



INTERNATIONAL PUBLIC TENDER No. 14-870/77

THE GOVERNMENT OILFIELDS (YACIMIENTOS PETROLIFEROS FISCALES) calls bids for International Public Tender No. 7 to contract services for exploration, exploitation and development of hydrocarbons in areas located in Isla Grande de la Tierra del Fuego...

September 15, 1977 (8.45 a.m. to 12.30 p.m. and from 2.15 p.m. to 4.15 p.m.) tender's specifications will be made available at AVENIDA SAENZ PENA 777 (Office No. 5), BUENOS AIRES, ARGENTINA.

Guardian controls FUGIT

By Richard Rolfe JOHANNESBURG, Sept. 16. FUGIT by the Guardian Life Group to acquire the total outstanding shareholding in First Union General Investment Trust (FUGIT) that it does not already own...

Receiver for Gulf Arabian

GULF ARABIAN, a public company quoted on the Hong Kong stock exchange, has asked its main creditor, the Chartered Bank, to appoint a receiver. AP-DI reports from Hong Kong.

The First Viking Commodity Trusts

Commodity OFFER 102.0 Trust BID 97.0 YIELD 4.1% Double OFFER 39.1 and Option Trust BID 37.1 YIELD 13.5%

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Norol loss of Kr.19.6m.

By Fay Gjester OSLO, Sept. 16. NOROL, Norway's state-dominated petroleum refining and marketing company, reports an operating loss of Kr.19.6m. in the first half of 1977. It says this is an improvement on results in the first half of 1976, which was the first year of the company's existence.

Haw Par returns to profit in first-half

THE LATEST interim report from Haw Par Brothers International shows the group moving back to profitability after two consecutive years in the red. For the half-year ended June, the group reported a pre-tax profit of \$81.16m. (1976: \$60.00m) in the first half of 1977.

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COMMODITIES/Review of the week

Freeze fears lift coffee

COMMODITIES STAFF Fears of a major nearby supply shortage also lifted coffee prices. The December position climbed to \$2,520 a tonne at one stage but ended the week 147.5 higher at \$2,365.5 a tonne.

MARKET REPORTS

BASE METALS

COMMODITIES STAFF Fears of a major nearby supply shortage also lifted coffee prices. The December position climbed to \$2,520 a tonne at one stage but ended the week 147.5 higher at \$2,365.5 a tonne.

U.S. Markets

Copper and precious metals gain

NEW YORK, Sept. 16. Precious metals and copper rallied to record highs on rumors of an Israeli attack on Lebanon. Copper rallied to \$1.00 a pound, its highest since 1974.

PRICE CHANGES

Table with columns for Commodity, Unit, and Price. Includes items like Rubber, Soybean Meal, and various oils.

PRICE CHANGES

Table with columns for Commodity, Unit, and Price. Includes items like Tin, Zinc, and various metals.

FINANCIAL TIMES

Table with columns for Index, Date, and Value. Includes FTSE 100, DOW JONES, and REUTERS.

BRITISH FUNDS (980)

Table listing various British funds with columns for fund names and values. Includes entries like '2000 Anns. 1978-80', '3000 Anns. 1978-80', etc.

FREE OF STAMP DUTY

Table listing funds that are free of stamp duty, including '1000 Anns. 1978-80', '2000 Anns. 1978-80', etc.

U.K. & CWTW. RAILS (1)

Table listing U.K. and CWTW. RAILS funds, including '1000 Anns. 1978-80', '2000 Anns. 1978-80', etc.

U.K. & CWTW. RAILS (2)

Table listing U.K. and CWTW. RAILS funds, including '1000 Anns. 1978-80', '2000 Anns. 1978-80', etc.

U.K. & CWTW. RAILS (3)

Table listing U.K. and CWTW. RAILS funds, including '1000 Anns. 1978-80', '2000 Anns. 1978-80', etc.

U.K. & CWTW. RAILS (4)

Table listing U.K. and CWTW. RAILS funds, including '1000 Anns. 1978-80', '2000 Anns. 1978-80', etc.

This week's SE dealings

Friday, September 16 7.77 Wednesday, September 14 6.12 Monday, September 12 7.65
Thursday, September 15 7.97 Tuesday, September 13 6.47 Friday, September 9 6.805

The following deals are marked in this section having the latest markings above the name of the stock...

Number of deals marked in this section having the latest markings above the name of the stock...

Excluded from the list are those securities which are not listed on the London Stock Exchange...

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FINANCE FOR INDUSTRY TERM DEPOSITS

Table listing finance for industry term deposits with columns for deposit terms and interest rates. Includes entries like '12 months', '24 months', etc.

WE GAVE DECCA AT 330p. (Private Investor's Letter 29th July) Look at the price today!

Spencers OF RETFORD. A good bronze equestrian statue of the Duke of Wellington. Published 1837. FORTHCOMING SALES WEDNESDAY 21st SEPTEMBER

Windscale fish could kill 30 people, scientist says. BY IAN BREACH. A SCIENTIST who lives near the Windscale nuclear power station...

Ennals defends social workers. BIGGER engine for Fiat 126. THE FLAT 126 is being fitted with a bigger engine—682 cc in place of the 594 cc unit used since 1973.

Table with 2 columns: Ticker symbols and prices. Includes items like Weller (100), Weller (200), Weller (300), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Smith Bros (250), Smith Bros (500), Smith Bros (750), etc.

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Table with 2 columns: Ticker symbols and prices. Includes items like British Petroleum (500), British Petroleum (1000), British Petroleum (1500), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Anglo American (100), Anglo American (200), Anglo American (300), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Weller (100), Weller (200), Weller (300), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Smith Bros (250), Smith Bros (500), Smith Bros (750), etc.

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Table with 2 columns: Ticker symbols and prices. Includes items like Weller (100), Weller (200), Weller (300), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Smith Bros (250), Smith Bros (500), Smith Bros (750), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Keynote Investment (500), Keynote Investment (1000), Keynote Investment (1500), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like British Petroleum (500), British Petroleum (1000), British Petroleum (1500), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Anglo American (100), Anglo American (200), Anglo American (300), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Weller (100), Weller (200), Weller (300), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Smith Bros (250), Smith Bros (500), Smith Bros (750), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Keynote Investment (500), Keynote Investment (1000), Keynote Investment (1500), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like British Petroleum (500), British Petroleum (1000), British Petroleum (1500), etc.

Table with 2 columns: Ticker symbols and prices. Includes items like Anglo American (100), Anglo American (200), Anglo American (300), etc.

IL AUTHORITY BOND TABLE

Table with columns: Authority, Annual gross interest, Minimum payable, Life of bond. Lists various authorities like Jesoid, (98 28844), etc.

BUILDING SOCIETY RATES

Table with columns: Deposit, Rate, Share, Sub/pn, Accnts, Shares. Lists various building societies like National, am Incorporated, and Bungley.

IRON, COAL & STEEL (25)

Table with 2 columns: Ticker symbols and prices. Includes items like British Iron (100), British Iron (200), etc.

MINING

Table with 2 columns: Ticker symbols and prices. Includes items like Anglo American (100), Anglo American (200), etc.

Road and African (10)

Table with 2 columns: Ticker symbols and prices. Includes items like Anglo American (100), Anglo American (200), etc.

South African (46)

Table with 2 columns: Ticker symbols and prices. Includes items like Anglo American (100), Anglo American (200), etc.

GOLD MARKET

Table with 2 columns: Ticker symbols and prices. Includes items like Gold (100), Gold (200), etc.

CURRENCY RATES

Table with 2 columns: Ticker symbols and prices. Includes items like Currencies (100), Currencies (200), etc.

EURO-CURRENCY INTEREST RATES

Table with 2 columns: Ticker symbols and prices. Includes items like Euro (100), Euro (200), etc.

EXCHANGE CROSS-RATES

Table with 2 columns: Ticker symbols and prices. Includes items like Exchange (100), Exchange (200), etc.

Minimum Lending Rate 6%

Bank of England Minimum Lending Rate 6 per cent. (since September 16, 1977). Bank of England Minimum Lending Rate 6 per cent. (since September 16, 1977).

Table with columns: Rate, Bank, etc. Lists various financial rates and bank information.

EXCHANGES AND BULLION

Sterling ended the week on a quiet note, losing ten points to 1742.1740. Opening at 1743.00, 1.7410 light selling developed quite early on, so much so that the Bank of England intervened in support of the pound at around 1742.20.

FOREIGN EXCHANGES

Table with columns: City, Rate, etc. Lists exchange rates for various cities like New York, London, etc.

OTHER MARKETS

Table with columns: Market, Rate, etc. Lists various market rates and financial data.

U.K. CONVERTIBLE BONDS 16/9/77

Table with columns: Name and description, Size, Current price, Conversion date, Flat yield, Red. yield, Premium, Incomes, Cheap (-) Dear (+) Current. Lists various convertible bonds.

STOCK EXCHANGE REPORT

Increased selling leaves index 13 points down at 531.9

Short Gilts come on offer after MLR cut—Tarmac weak

Account Dealing Dates
 *First Declara- Last Account
 Dealings tinn Dealings Day
 Sep. 5 Sep. 15 Sep. 27
 Sep. 19 Sep. 29 Sep. 30
 Oct. 3 Oct. 13 Oct. 25

Continued end-Account profit-taking in leading equities yesterday brought the FT Industrial Ordinary share index down 13 points to 531.9 from a two-day loss of 17.3 from Wednesday's all-time peak. British Funds had another active trade with quotations reflecting erratically on recent high optimism on sterling's strength and falling interest rates was tempered by thoughts that Minimum Lending Rate cannot now have much further to fall after having come down from 15 to 6 per cent. in only 10 months; another cause for caution at the short end of the market was uncertainty as to the likely reception of the new short term 81 per cent. issue. Longer maturities were featured by the start of trade in the intended tap Treasury 12 per cent. 1985 which touched 331 for the £30 pad stock before a close of 333. Other fonz were showing further gains to 14 out closed with rises limited to 1 and the Government Securities edged up 0.02 to 73.70 for a gain of nearly 7 per cent. in the past two weeks.

Selling of equities was persistent and, at times, quite heavy although individual orders were mostly for small amounts. The shake-out of loose holders was partly a reflection of continuing caution after the recent heavy rise, but nerves were weakened by Press values to company announcements which fall short of expectations. A rallying tendency following the MLR announcement failed to develop and falls in the higher-priced index constituents often reached double figures with Guest being lost 15 for a two-day fall of 30 to 310. In front of the interim results which are due next week, came well after the close of business. At yesterday's close, the index retained a net rise of 1.8 in the week and one of 24.4 on the account, while it is standing over 100 points up on its level of a little over seven weeks ago. The three main FT-Average indices gave up about 1 to 2 per cent. off at 221.55.

Short gilts react

British Funds had another active session yesterday, but boiled over after improving fresh in the earlier stages. The 1 per cent. reduction in Minimum Lending Rate to 6 per cent. appeared to have been well discounted and tended to encourage profit-taking after the recent upsurge, while the surprise after-hours announcement of a new short term stock

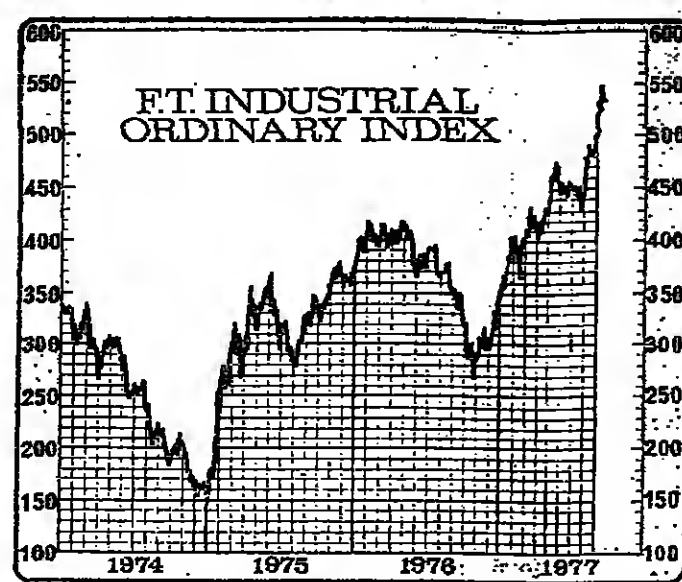
down at 84p, after 82p. John Lalng "A" declined 9 to 134p and Treasury Contracting lost 8 to 240p. Found support and rose steadily. Newarhills, on the other hand, to close 15 higher on the day at 153p, while further consideration of this record profits helped Galliford Bradley gain 4 at 561p. AP Cement moved against the trend of other market leaders and improved 3 to 213p, after 215p.

End-account profit-taking brought about a £20 to 43p, after 433p. in ICL. Fisons, which report half-yearly figures on September 26, shed 18 to 366p for a similar reason, while Allied Colloids receded 10 to 292p.

Further consideration of the results brought about a reaction of 10 to 104p in HTV among Television concerns. Trident "A" was a steady price, closing unaltered at 30p, the price in yesterday's issue was incorrect.

Dorman Smith up

The recent rise in Dorman Smith issues forced an early statement from the company to the effect that discussions were taking place, but were at an early stage and that even if they resulted in an offer being made the price may be lower than the current market level. Despite this, the Ordinary gained 10 more to 145p, and advanced 9 to 142p. Elsewhere in Electricals, EMI, which fell on Thursday by 17 on news of disappointing scanner sales in North America, lost 22p to 225p. GEC gave up 5 at 263p, while Plessey reacted, with the Ordinary 3 lower at 42p, and the A 8 off at 40p. Recent high fliers in the Electronic sector met with profit-taking, although prices were often above the worst on new-time demand. M/E Electric declined 8 to 204p, while falls of around 5 were



Miscellaneous Industrial Dutch eased 1 to 542. British Petroleum finished at the day's lowest, with a fall of 12 at 922p, while the partly-paid shares gave up 10 at 385p. Burnham remained dull at 64p, down 8, still reflecting disappointment with the interim statement. North Sea exploration issues had Slebens (U.K.) 13 off at 336p and Oil Exploration down another 10 at 274p.

Property leaders were narrowly mixed again, although Land Securities continued to make progress, improving in price to 220p—a rise of 11 on the week. Eastnet was a shade off at 471p, and Scottish Metropolitan eased 1 1/2 to 477p. Secondary issues were mostly easier, falls of about 4 were sustained by Allant London, 187p, Hammsorp, A, 568p, and Stock Exchange, 231p. Renewed profit-taking clipped a penny from Peabody at 68p but holders Allied London gained 3 at 63p.

Booker McConnell declined 4 to 231p on further consideration of the interim results.

Against the general trend, investment trusts closed on a firm note following another good trade. FICVT were called higher at 47p on the resumption of dealings following the cash bid from Guardian Liberty Life Group, while Edinburgh and Dundee, and Scottish Cities A put on 4 pence at the common price of 138p. Temple Bar were supported at 184p, up 11 and Le Valois rose 3 to 33p, but receive pessimism from a New Throgmorton Capital declined 7 to 118p.

Purvis Withy continued to figure prominently in Shipping, improving in price to 110p, to close 13 higher at 335p on continued bid speculation. Common Bros. were also better at 238p, up 8, but Ocean Transport eased 6 to 150p and P. and O. Deferred declined 5 to 154p.

Noteworthy movements in Teas were restricted to a fall of 5 to 285p in Assam Frontier and a loss of 7 to 190p in Warren.

Gold falls

After moving higher for six successive trading days South African Golds finally turned easier owing to profit-taking and the downturn in the investment currency premium. The Gold Mines index gave up 2.9 to 128.0, but was still 7.8 higher over the week.

Among the heavyweight issues Free State Golds were undisturbed at 111-3, a week's gain of —following the better-than-expected final dividend, while other of the Anglo-American group's O/S sold mules to declare ward drift in Oils. Shell, a firm their September dividends, in-market in front of next Thursday's interim dividend statement, dropped a half-point to 214 and reacted 10 to 620p, while Royal Prussian Steyn which fell 14 to

	Sept. 15	Sept. 16	Sept. 17	Sept. 18	Sept. 19
Government Secs	75.70	75.68	74.83	74.16	72.85
Fixed Interest	75.17	74.99	74.11	75.63	73.11
Industrial Ordinary	541.9	544.9	549.8	555.7	549.2
Gold Mines	128.0	130.9	129.2	128.0	127.4
Oil, Div. Yield	4.97	4.86	4.82	4.83	4.80
Earnings YTD (mill)	14.82	14.50	14.38	14.71	15.02
P/E Ratio (mkt)	9.70	9.91	10.00	9.77	9.57
Dealings marked	7,777	7,971	8,142	6,467	7,456
Equity turnover (m)	144.68	139.39	104.98	104.98	111.52
Equity turnover total	87,804	82,585	81,817	80,588	82,585

	1977		Since Completion		S.E. A
	High	Low	High	Low	
Govt. Secs	75.70	60.45	187.8	49.18	Daily
Fixed Int.	75.17	60.45	187.8	49.18	High
Ind. Ord.	541.9	166.1	150.4	50.55	Speculative
Gold Mines	127.4	95.1	168.0	49.18	Industrial

of the lower priced issues for a twelve month period, a national whether Australia and export trading, the latter issues were weaker in the domestic market and the investment trend in U.K. Industrials although prices tended to recover some of their earlier losses in the late trade. FICVT closed 6 off on balance at 47p after 25p, Gold Fields 3 easier at 170p, after 173p and Charter unchanged at 138p, after 135p.

In Australias Pancontinental Resources, which was featured with a drop of 50 to 625p, following the call by the Australian Council of Trade Union's takeover bid.

	Yesterday	Up	Down	Steady
British Funds	21	3	2	1
Govt. Secs	35	62	61	23
Industrial	107	15	12	8
Financial and Prop.	2	5	2	1
Shipping	3	2	2	1
Investment	1	1	1	1
Miners	2	1	1	1
Recent Issues	1	1	1	1
Totals	95	95	107	68

Share	High	Low
INTERNATIONAL BANK (1)	110.00	108.00
CORPORATION LOANS (4)	105.00	103.00
COMMONWEALTH AND AFRICA LOANS (4)	100.00	98.00
LOANS (MISCELLANEOUS) (5)	95.00	93.00
FOREIGN BONDS (2)	90.00	88.00
BEERS (2)	85.00	83.00
BUILDINGS (18)	80.00	78.00
AFRICA (1)	75.00	73.00
CINEMAS (1)	70.00	68.00
DRAPERY AND STORES (2)	65.00	63.00
TECHNICALS (1)	60.00	58.00
ENGINEERING (12)	55.00	53.00
FOODS (5)	50.00	48.00

ACTIVE STOCKS

Stock	Denomina- tion	Closing price (p)	Change on day	1977 high	1977 low
ICI	£1 10S	434	+3	446	327
Shell Transport	25p	439	+1	454	324
GKN	50p	339	+13	369	277
BP (Partly-paid)	£1 6S	383	+3	400	347
Tube Invs. "New"	Nil/pd. 60p	141pm	-3	164pm	122pm
BOC Intl. "New"	Nil/pd. 58	141pm	-3	164pm	122pm
Barclays Bank	£1	305	-5	323	228
Reed Intl.	25p	286	-37	318	168
Rabcock & Wilec	25p	56	123	-14	133
BATS Defd.	25p	54	237	-8	260
European Ferries	25p	54	97	+84	100
GUS "A"	25p	34	321	+16	325
Burmah	£1	83	64	-10	85
Beecham	25p	8	648	+18	660
Courtaulds	25p	49	137	-1	135

Stock	Denomina- tion	Closing price (p)	Change on day	1977 high	1977 low
ICI	£1 10S	434	-10	446	325
Lucas Inds.	£1 15	325	-10	338	203
Marks & Spencer	25p	12	160	-4	164
Punjab	25p	119	-1	124	78
Farmers	50p	12	178	-30	220
Rabcock & Wilec	25p	11	125	-6	133
Tube Invs. "New"	Nil/pd. 60p	141pm	-3	164pm	122pm
Grand Met.	50p	10	89	-2	102
Shell Transport	25p	10	60	-10	63
Wilmot-Breeden	25p	10	89	+7	89
BAT Inds.	25p	9	293	-	308
ROC Intl. "New"	Nil/pd. 60p	141pm	-11	164pm	122pm
GEC	25p	9	263	-5	271
HUS "A"	25p	8	321	-13	329
GKN	50p	9	329	-13	369

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 16(1)(c) and reproduced to-day in Stock Exchange dealings.

- I.G. Index Limited 01-351 3466
- Three month Silver 261.263.5
- 1. Tax free trading on commodity future
- 2. The commodity futures market for the smaller investor

BASE LENDING RATES

A.B.N. Bank	7%	Hill Samuel	7%
Allied Irish Bank	7%	C. Hoare & Co.	7%
American Express Bk.	7%	Julian S. Hodge	7%
Auro Bank	7%	Hoogkong & Shanghai	7%
A.P. Bank Ltd.	7%	Industrial Bk. of Scot.	7%
Henry Ansbacher	7%	Keyser Ullmann	7%
Banco de Bilbao	7%	Knowles & Co. Ltd.	7%
Bank of Credit & Comm.	7%	Lloyds Bank	7%
Bank of Cyprus	7%	London & European	7%
Bank of N.S.W.	7%	London Mercantile	7%
Banque Belge Ltd.	7%	Midland Bank	7%
Banque du Rhone S.A.	7%	Samuel Montagu	7%
Barclays Bank	7%	Moran Grenfell	7%
Barnett Christie Ltd.	7%	National Westminster	7%
Bremar Holdings Ltd.	7%	Northwich General Trust	7%
Brit. Bank of Mid. East	7%	P. S. Refson & Co.	7%
Brown Shipley	7%	Rosminster Accepts	7%
Canada Permanent AFI	7%	Royal Bk. Canada Trust	7%
Capitol C. & C. Fin. Ltd.	7%	Schlesinger Limited	7%
Cayzer Ltd.	7%	E. S. Schwab	7%
Cedar Holdings	7%	Security Trust Co. Ltd.	7%
Charterhouse Japhet	7%	Shenley Trust	7%
C. E. Coates	7%	Standard Chartered	7%
Coosolidated Credits	7%	Trade Dev. Bank	7%
Co-operative Bank	7%	Trustee Savings Bank	7%
Curthian Securities	7%	Twentieth Century Bk.	7%
Credit Lyonnais	7%	United Bank of Kuwait	7%
Duncan Lawrie	7%	Whiteaway Ltd.	7%
East Trust	7%	Williams & Glyn's	7%
English Transcon	7%	Yorkshire Bank	7%
First London Secs.	7%	Members of the Accepting Bank Committee	7%
First Nat. Fin. Corp.	7%	1-month deposits	7%
First Nat. Secs. Ltd.	7%	3-month deposits	7%
5-day deposits	7%	6-month deposits	7%
1-year deposits	7%	18-month deposits	7%
2-year deposits	7%	24-month deposits	7%
3-year deposits	7%	Call deposits over 1,000	7%
4-year deposits	7%	Dem. deposits 4	7%
5-year deposits	7%	Rate also applies to Sterling Ind. Secs.	7%

OPTIONS TRADED

First Deal-	Last Deal-	First Declara- tion	Last Declara- tion	Settle- ment
Sep. 13	Sep. 26	Dec. 8	Dec. 20	Jan. 11
Sep. 27	Oct. 10	Dec. 29	Jan. 11	Jan. 24

For sale in the market at the end of the month. Information Service.

Calls were dealt in Leves, British Benzole, Burnah Oil, ICL, Vickers, M/EPC, Hirst and Mallinson, Trientrol, Adda International, Status Discount, Electronics, Rank Organisation, Shell Transport, Lloyds and Scot. For sale in the market at the end of the month. Information Service.

RECENT ISSUES

Issue	Denomina- tion	Closing price (p)	Change on day	1977 high	1977 low
ICI	£1 10S	434	-10	446	325
Lucas Inds.	£1 15	325	-10	338	203
Marks & Spencer	25p	12	160	-4	164
Punjab	25p	119	-1	124	78
Farmers	50p	12	178	-30	220
Rabcock & Wilec	25p	11	125	-6	133
Tube Invs. "New"	Nil/pd. 60p	141pm	-3	164pm	122pm
BOC Intl. "New"	Nil/pd. 58	141pm	-3	164pm	122pm
Barclays Bank	£1	305	-5	323	228
Reed Intl.	25p	286	-37	318	168
Rabcock & Wilec	25p	56	123	-14	133
BATS Defd.	25p	54	237	-8	260
European Ferries	25p	54	97	+84	100
GUS "A"	25p	34	321	+16	325
Burmah	£1	83	64	-10	85
Beecham	25p	8	648	+18	660
Courtaulds	25p	49	137	-1	135

FIXED INTEREST STOCKS

Issue	Denomina- tion	Closing price (p)	Change on day	1977 high	1977 low
ICI	£1 10S	434	-10	446	325
Lucas Inds.	£1 15	325	-10	338	203
Marks & Spencer	25p	12	160	-4	164
Punjab	25p	119	-1	124	78
Farmers	50p	12	178	-30	220
Rabcock & Wilec	25p	11	125	-6	133
Tube Invs. "New"	Nil/pd. 60p	141pm	-3	164pm	122pm
BOC Intl. "New"	Nil/pd. 58	141pm	-3	164pm	122pm
Barclays Bank	£1	305	-5	323	228
Reed Intl.	25p	286	-37	318	168
Rabcock & Wilec	25p	56	123	-14	133
BATS Defd.	25p	54	237	-8	260
European Ferries	25p	54	97	+84	100
GUS "A"	25p	34	321	+16	325
Burmah	£1	83	64	-10	85
Beecham	25p	8	648	+18	660
Courtaulds	25p	49	137	-1	135

"RIGHTS" OFFERS

Issue	Denomina- tion	Closing price (p)	Change on day	1977 high	1977 low
ICI	£1 10S	434	-10	446	325
Lucas Inds.	£1 15	325	-10	338	203
Marks & Spencer	25p	12	160	-4	164
Punjab	25p	119	-1	124	78
Farmers	50p	12	178	-30	220
Rabcock & Wilec	25p	11	125	-6	133
Tube Invs. "New"	Nil/pd. 60p	141pm	-3	164pm	122pm
BOC Intl. "New"	Nil/pd. 58	141pm	-3	164pm	122pm
Barclays Bank	£1	305	-5	323	22

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., Practical Invest. Co. Ltd., etc.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgmt. & Res. (Bda.) Ltd., Kemp-Ge Management Jersey Ltd., etc.

SON HIGH YIELD FUND advertisement featuring a large '10%' graphic and text describing the fund's performance and investment strategy.

INSURANCE, PROPERTY, BONDS advertisement for Coral Investments Limited, listing various insurance and investment services.

INSURANCE BASE RATES table showing rates for Property Growth, Cannon Assurance, and other insurance products.

SUMITOMO HEAVY INDUSTRIES, LTD.
Tokyo, Japan

For ocean development, systems engineering, and environment protection.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

High	Low	Stock	Price	Chg	Div	Yield
100	98	British Equities	100	+2	5.0	5.0
105	103	British Govt	105	+1	4.5	4.5
110	108	British Ind	110	+2	5.5	5.5
115	113	British Int	115	+1	4.0	4.0
120	118	British Div	120	+2	6.0	6.0

“Shorts” (Lives up to Five Years)

High	Low	Stock	Price	Chg	Div	Yield
100	98	Shorts 1-5	100	+1	5.0	5.0
105	103	Shorts 6-10	105	+2	5.5	5.5
110	108	Shorts 11-15	110	+1	4.5	4.5
115	113	Shorts 16-20	115	+2	5.0	5.0
120	118	Shorts 21-25	120	+1	4.0	4.0

Over Fifteen Years

High	Low	Stock	Price	Chg	Div	Yield
100	98	Over 15	100	+1	5.0	5.0
105	103	Over 15	105	+2	5.5	5.5
110	108	Over 15	110	+1	4.5	4.5
115	113	Over 15	115	+2	5.0	5.0
120	118	Over 15	120	+1	4.0	4.0

Undated

High	Low	Stock	Price	Chg	Div	Yield
100	98	Undated	100	+1	5.0	5.0
105	103	Undated	105	+2	5.5	5.5
110	108	Undated	110	+1	4.5	4.5
115	113	Undated	115	+2	5.0	5.0
120	118	Undated	120	+1	4.0	4.0

**INTERNATIONAL BANK

High	Low	Stock	Price	Chg	Div	Yield
100	98	Intl Bank	100	+1	5.0	5.0
105	103	Intl Bank	105	+2	5.5	5.5
110	108	Intl Bank	110	+1	4.5	4.5
115	113	Intl Bank	115	+2	5.0	5.0
120	118	Intl Bank	120	+1	4.0	4.0

**CORPORATION LOANS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Corp Loans	100	+1	5.0	5.0
105	103	Corp Loans	105	+2	5.5	5.5
110	108	Corp Loans	110	+1	4.5	4.5
115	113	Corp Loans	115	+2	5.0	5.0
120	118	Corp Loans	120	+1	4.0	4.0

COMMONWEALTH & AFRICAN BONDS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Comwealth	100	+1	5.0	5.0
105	103	Comwealth	105	+2	5.5	5.5
110	108	Comwealth	110	+1	4.5	4.5
115	113	Comwealth	115	+2	5.0	5.0
120	118	Comwealth	120	+1	4.0	4.0

LOANS (Miscel)

High	Low	Stock	Price	Chg	Div	Yield
100	98	Misc Loans	100	+1	5.0	5.0
105	103	Misc Loans	105	+2	5.5	5.5
110	108	Misc Loans	110	+1	4.5	4.5
115	113	Misc Loans	115	+2	5.0	5.0
120	118	Misc Loans	120	+1	4.0	4.0

FOREIGN BONDS & RAILS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Foreign Bonds	100	+1	5.0	5.0
105	103	Foreign Bonds	105	+2	5.5	5.5
110	108	Foreign Bonds	110	+1	4.5	4.5
115	113	Foreign Bonds	115	+2	5.0	5.0
120	118	Foreign Bonds	120	+1	4.0	4.0

AMERICANS

High	Low	Stock	Price	Chg	Div	Yield
100	98	American	100	+1	5.0	5.0
105	103	American	105	+2	5.5	5.5
110	108	American	110	+1	4.5	4.5
115	113	American	115	+2	5.0	5.0
120	118	American	120	+1	4.0	4.0

AMERICANS—Continued

High	Low	Stock	Price	Chg	Div	Yield
100	98	American	100	+1	5.0	5.0
105	103	American	105	+2	5.5	5.5
110	108	American	110	+1	4.5	4.5
115	113	American	115	+2	5.0	5.0
120	118	American	120	+1	4.0	4.0

CANADIANS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Canadian	100	+1	5.0	5.0
105	103	Canadian	105	+2	5.5	5.5
110	108	Canadian	110	+1	4.5	4.5
115	113	Canadian	115	+2	5.0	5.0
120	118	Canadian	120	+1	4.0	4.0

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Chg	Div	Yield
100	98	Banks	100	+1	5.0	5.0
105	103	Banks	105	+2	5.5	5.5
110	108	Banks	110	+1	4.5	4.5
115	113	Banks	115	+2	5.0	5.0
120	118	Banks	120	+1	4.0	4.0

BUILDING INDUSTRY—Cont.

High	Low	Stock	Price	Chg	Div	Yield
100	98	Building	100	+1	5.0	5.0
105	103	Building	105	+2	5.5	5.5
110	108	Building	110	+1	4.5	4.5
115	113	Building	115	+2	5.0	5.0
120	118	Building	120	+1	4.0	4.0

DRAPERY AND STORES—Cont.

High	Low	Stock	Price	Chg	Div	Yield
100	98	Drapery	100	+1	5.0	5.0
105	103	Drapery	105	+2	5.5	5.5
110	108	Drapery	110	+1	4.5	4.5
115	113	Drapery	115	+2	5.0	5.0
120	118	Drapery	120	+1	4.0	4.0

CHEMICALS, PLASTICS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Chemicals	100	+1	5.0	5.0
105	103	Chemicals	105	+2	5.5	5.5
110	108	Chemicals	110	+1	4.5	4.5
115	113	Chemicals	115	+2	5.0	5.0
120	118	Chemicals	120	+1	4.0	4.0

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Chg	Div	Yield
100	98	Cinema	100	+1	5.0	5.0
105	103	Cinema	105	+2	5.5	5.5
110	108	Cinema	110	+1	4.5	4.5
115	113	Cinema	115	+2	5.0	5.0
120	118	Cinema	120	+1	4.0	4.0

DRAPERY AND STORES

High	Low	Stock	Price	Chg	Div	Yield
100	98	Drapery	100	+1	5.0	5.0
105	103	Drapery	105	+2	5.5	5.5
110	108	Drapery	110	+1	4.5	4.5
115	113	Drapery	115	+2	5.0	5.0
120	118	Drapery	120	+1	4.0	4.0

ENGINEERING—Continued

High	Low	Stock	Price	Chg	Div	Yield
100	98	Engineering	100	+1	5.0	5.0
105	103	Engineering	105	+2	5.5	5.5
110	108	Engineering	110	+1	4.5	4.5
115	113	Engineering	115	+2	5.0	5.0
120	118	Engineering	120	+1	4.0	4.0

ELECTRICAL AND RADIO

High	Low	Stock	Price	Chg	Div	Yield
100	98	Electrical	100	+1	5.0	5.0
105	103	Electrical	105	+2	5.5	5.5
110	108	Electrical	110	+1	4.5	4.5
115	113	Electrical	115	+2	5.0	5.0
120	118	Electrical	120	+1	4.0	4.0

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Eng Machine	100	+1	5.0	5.0
105	103	Eng Machine	105	+2	5.5	5.5
110	108	Eng Machine	110	+1	4.5	4.5
115	113	Eng Machine	115	+2	5.0	5.0
120	118	Eng Machine	120	+1	4.0	4.0

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Chg	Div	Yield
100	98	Food Groc	100	+1	5.0	5.0
105	103	Food Groc	105	+2	5.5	5.5
110	108	Food Groc	110	+1	4.5	4.5
115	113	Food Groc	115	+2	5.0	5.0
120	118	Food Groc	120	+1	4.0	4.0

HOTELS AND CATERERS

High	Low	Stock	Price	Chg	Div	Yield
100	98	Hotels	100	+1	5.0	5.0
105	103	Hotels	105	+2	5.5	5.5
110	108	Hotels	110	+1	4.5	4.5
115	113	Hotels	115	+2	5.0	5.0
120	118	Hotels	120	+1	4.0	4.0

INDUSTRIALS (Miscel)

High	Low	Stock	Price	Chg	Div	Yield
100	98	Industrials	100	+1	5.0	5.0
105	103	Industrials	105	+2	5.5	5.5
110	108	Industrials	110	+1	4.5	4.5
115	113	Industrials	115	+2	5.0	5.0
120	118	Industrials	120	+1	4.0	4.0

High	Low	Stock	Price	Chg	Div	Yield
100	98	Hotels	100	+1	5.0	5.0
105	103	Hotels	105	+2	5.5	5.5
110	108	Hotels	110	+1	4.5	4.5
115	113					

UALS-Continued

Table of UALS-Continued with columns for Stock, Price, and other financial metrics.

INSURANCE-Continued

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PROPERTY-Continued

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TRUSTS-Continued

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Relative strength is the difference between a good and a bad investment. We supply relative strength charts for Britain's leading companies...

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MAN OF THE WEEK

Young Swede at the top

BY MAX WILKINSON

THE NEWS THAT L. M. Ericsson, the Swedish telecommunications company has been chosen to supply \$600m. worth of exchange equipment to Australia represents a double triumph for the company's new young president, Bjorn Svodberg.



Bjorn Svodberg Engineer and salesman

heads of big companies often assume. He looks and sounds like what he essentially is, a very bright young engineer.

This research, of which Svodberg was one of the chief architects resulted in AXE, a method of replacing the old electro-mechanical telephone switches to ones controlled and operated by computers.

More fundamentally he is a quiet, almost a shy man, with a high functional view of his job. He does not raise his voice with subordinates, preferring serious argument to the exercise of personal authority.

Design Although Svodberg's career has been in research rather than general management, he says the development of AXE was in essence a management rather than a technical exercise.

Weather U.K. TO-DAY Channel Is., S.W. and N.W. England, Wales Dry, light spells. Wind N. light. Max. 17C (63F).

Continued from Page 1 Defence cuts will go ahead The Government claims in its response, published by the Ministry of Defence, that in spite of the cuts now to be made, the UK defence budget of £8.5bn. is 5 per cent of the Gross Domestic Product, which is well above the average of European members of the alliance.

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Ford keeps to 10% offer as vital pay talks start

BY ALAN PIKE, LABOUR CORRESPONDENT

FORD HAS offered its 57,000 manual workers increases in earnings of about 2.5 to 10.5 per cent, at the start of pay negotiations which will be viewed as an important pacesetter in the private sector.

The offer forms the company's initial response to a union claim for 15 per cent, rises plus fringe improvements worth about another 10 per cent.

The company avoided reference to percentages in its offer, and expressed its proposals—which would add £27m. to the wage bill—in cash terms.

Mr. Paul Roots, Ford's employee-relations director, said in presenting the offer that the unions had described their claim as "socially responsible."

The company has weighted the offer slightly to the advantage of the skilled end of the work force in response to demands for action on craft differentials which have become seriously compressed during the past two years of pay policy.

Two supplements would be consolidated into basic rates, but the company says that this would not be a costly element of the deal.

Ford's offer would increase basic rates by £5.16 a week for most production workers and by £7.20 for highly skilled men. Translated into increases in actual earnings for men working alternate day and night shifts—most of the work force—it would give production workers an extra £8, taking them to £77 per week. Earnings of skilled men would rise from £79.33 to £87.92.

The offer met with a cautious response from Mr. Moss Evans, general secretary-elect of the Transport and General Workers and chairman of the union negotiators. It was important to the union to meet shopfloor representatives before returning to the company for further talks on Wednesday, he commented.

£6 extra Ford's offer would increase basic rates by £5.16 a week for most production workers and by £7.20 for highly skilled men.

Drake and Scull said yesterday it would consider Tarmac's declaration of Nigerian losses and would issue a statement in the accounts of the then named Drake and Cubitt Holdings, issued in July, 1976, after the sale agreement with Tarmac.

There has been no progress with the negotiations. When interim profits of £9.97m. were announced yesterday, shareholders were told the contractual position was being examined and steps were being taken to resolve the dispute.

This might involve negotiation with Drake and Scull, the group which last year sold Holland, Hange and Cubitts to Tarmac for £5.35m. Cubitts Nigeria is 60 per cent owned by HH and C, with 15 per cent owned by Nigerian individuals and a contract which the Cubitts Nigeria subsidiary should not have entered.

Mr. David Crenier, chairman, said that 12 of the staff of 235 were involved in the move, but some of them "might have second thoughts."

He said there were other people on the equities side of the business who had experience in gilts and the company is determined to re-build the service. The gilt side at Capel-Cure Myers contributes only 15 per cent of profits.

Tarmac faces £12m. loss on Nigerian contracts

BY QUENTIN GUIRDHAM

SHE TARMAC civil engineering and roadstone group faces losses of £12m. in Nigeria, mainly on government contracts for a teacher training college and an airfield.

This is the first big loss disclosed by a British contractor in the construction boom in oil-rich States.

Mr. Robin Martin, chairman of Tarmac, said £4m-£5m. estimated losses on Malguri airfield stemmed from a badly priced contract which the Cubitts Nigeria subsidiary should not have entered.

Tarmac says that in the middle of last year the subsidiary was told that in future it would be paid for the contract at much lower rates. "It is true that some hint of negotiation was involved, but the basis of the contract terms unilaterally."

Government to inject £500,000 into the group to ensure completion of Department of Environment contracts and Scull has drawn no further Government money and has made provisions of £1m. on the full HH and C sale price agreed with Tarmac.

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Capel-Cure gilts staff leave

BY JAMES BARTHOLOMEW

THE GILT-EDGED staff of leading stockbrokers Capel-Cure Myers is leaving to join rivals Fielding, Newton-Smith.

The move comes at a time when the gilt-edged market has enjoyed a substantial rise and its volume is at its highest ever.

Mr. Dundas Hamilton, a partner, said that the new team would be "a natural fit."

It is believed that the Capel-Cure Myers team has been unhappy for some time and will be given a position at Fielding Newton-Smith that reflects the importance of gilts.

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Guest Keen well below targets

THE LEX COLUMN

Index fell 13.0 to 531.9

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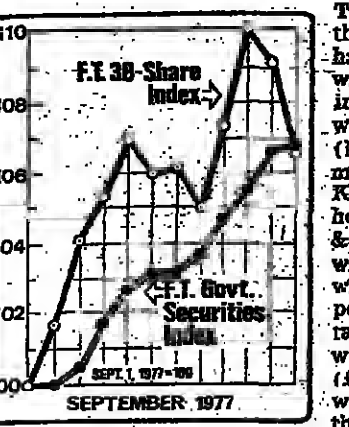
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Business Threat seen in Ar cash

Tarmac One of the ways Tarmac has brought the major contracts has been through willingness to take on work of those at (Mitchell, Coombe, Kariba Dam in 1973, however, with Hilti & Cubitts, it has with a Nigerian, which threatens to be possibly some of taken as pre-emptive written off from (£45.2m. last time) which will probably through the end of account. The figure long as £12m. in the damage covering next year, is probably significant than market overstretched margin.

Steel re-rolling in the U.K. has been one of the weakest spots, and the trading surplus on primary metal products has almost halved to £5m. The new rod mill in South Wales, which with an annual capacity of 600,000 tonnes has nearly doubled the group's capacity in this area, has run into teething problems—and it has come on stream at a time when major consumers like the construction industry are in deep recession. Steel stockholding has also had a rough time. Volume has been more or less maintained but only at the expense of margins.

So far these problems have been largely offset by the automotive components side, and as a result GKN's interim profits in the U.K. are only a shade lower at £28m. before interest. But the industrial disputes of recent months are now leaving a mark on profits. The continuing interest is still being well. But GKN is unlikely to hear for at least a couple of months whether it is going to be allowed to increase its stake in Sachs—and it may not know until February.

There are two consoling features. The first is that the profits performance in real terms is much better than appears. Stock profits in 1976, totalling £16m., whereas the flat steel price means there are virtually none this year. The other is that although the dividend forecast at the rights issue was said to be subject to satisfactory results, it seems certain that GKN will pay the full 25p 7.2 and a prospect of increase. All the same, 42 per cent, they the shares on Monday morning look so vulnerable should fail.

The Why, When, Where and How of Hine Cognac

Why Hine?

Hine (pronounced to rhyme with the English 'fine') has special claim to be one of France's finest Cognacs. Hine Cognacs have been distilled and blended beside the Charente by six generations of the family.

You will hear little from Hine of the irrelevant myths that have attached themselves to Cognacs. Connoisseurs will even know that designations like VSOP mean little more than what the distiller chooses to make them mean.

So why Hine? Well those same connoisseurs will tell you that Hine VSOP is a shade more delicate, a shade more pleasurable than many other VSOP's and that while it is known that Cognac is blended from many, rare and old distillations, then matured in casks of Limousin oak, the real secret lies in the taste of the distiller.

So why Hine? Ask a connoisseur. Better still, become one. Try Hine.



For an informative leaflet on Cognac, send a postcard to: Dept. FT, 6th Floor, 1 Oxendon Street, London SW1Y 4EQ.

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